

THE MISSOURI DEPARTMENT OF INSURANCE

Physicians and Surgeons Medical Malpractice Insurance Rates

Actuarial Report Appendix

This technical appendix is part of a larger study of Missouri Physicians and Surgeons Medical Malpractice Insurance rates conducted by the Missouri Department of Insurance (MDI). The appendix documents the composite loss and allocated loss expense experience of Missouri's leading insurers.

Purpose and Scope of the Appendix

The David Cox Company, (Cox) was engaged by the MDI to participate in the examinations of Medical Malpractice insurers in order to determine the appropriateness of the rates they charge for insurance.

Only claims made experience was used in the study because occurrence policies are currently small in volume. The experience from some insurers is used in this study even though they have withdrawn from the state and are in runoff. Some insurers that were active during the experience period went out of business and did not provide experience. Another large insurer's experience is not used because it is too new to have dependable loss reserve estimates.

The data used in this study is based on the experience of 37,000 doctor-years of practice over the last ten years resulting in 1,900 reported claims (excluding claims closed without indemnity payment). The market share of the participating insurers averaged 48% of statewide Physicians and Surgeons Medical Malpractice premiums during that period.

This appendix provides an in-depth analysis of Missouri physicians and surgeons medical malpractice insurance losses and Allocated Loss Adjustment Expense (ALAE) experience. Experience is compiled in a way similar to the way rates are established, properly matching insured exposures during a year to resulting losses and ALAE for the same year. Premiums charged are not directly considered at this point but rather the analysis focuses on the foundation of the rates, the average losses and ALAE per exposure. Although the experience of each insurer is considered in the study, no individual insurer's results are provided here.

This information can be used to retrospectively assess the reasonableness of rates charged in the past. The study provides Missouri trends that can be used to assess the appropriateness of currently effective rates. Composite experience provides a benchmark to assess the reasonableness of individual insurer pricing decisions and enhances the statistical credibility of the data. Composite loss development experience

is needed because individual insurer Missouri experience often lacks sufficient volume to provide reasonable estimates of ultimate settlement values.

Qualifications of the Examiner

My name is David B. Cox. I am an independent consulting actuary, a Fellow of the Casualty Actuarial Society and a Member of the American Academy of Actuaries. I meet the qualification requirements of the American Academy of Actuaries to practice in the area of Medical Malpractice insurance rate making. My professional experience spans twenty-six years. No other actuaries participated in this study.

Summary of Key Findings

1. Basic limits (\$200,000 per occurrence) loss and ALAE per exposure is the key element of the rate.
 - Basic limits loss and ALAE per exposure increased at an effective annual rate of 10% during 1994 to 2003.
 - Basic limits loss and ALAE per exposure increased substantially between 1999 and 2001 and more recent experience does not indicate a return to prior levels.
 - The rate of increase has slowed in recent years.
2. Total limits (all policy limits in force) loss and ALAE per exposure increased at an effective annual rate of 12% during 1994 to 2003 but this rate of change may be skewed due to changes in the average policy limits in force.
3. Claim frequency increased at an average annual rate of 4% from 1994 to 2003. Claim frequency appears to be leveling off.
4. Basic limits claim severity increased at an average annual rate of 8% from 1994 to 2003 while total limits claim severity increased at a rate of 9%.
5. ALAE pure premium increased at an average annual rate of 7% from 1994 to 2003 but the rate of increase has slowed in recent years. ALAE claim severity increased at a rate of 4%.
6. Total limits loss and ALAE exceeded total limits premium for most of the last decade. Loss and ALAE ratios generally increased from 1994 to 2000 and have improved steadily since then. The estimated ultimate loss and ALAE ratio for 2003 is 95%, down from 142% in 2002.

Description of the Data

The experience from several insurers is used in this study even though they have withdrawn from the state and are in runoff. Another large insurer's experience is not used because it is too new to have dependable loss reserve estimates. The experience of several insurers was not used due to data quality concerns. Some insurers that were active during the experience period went out of business and did not provide

experience. Only claims made experience was used in the study. "Claims paid" experience was excluded.

The market share of the data used in the study is shown below:

**Missouri Physicians & Surgeons
Medical Malpractice Insurance**

Market Share of the Data Used in the Study

Calendar Year	Statewide Direct Earned Premium	Participating Insurer Clams Made Direct Earned Premium	Participating Insurer Market Share
1994	83,088,562	21,573,596	26%
1995	88,245,253	21,420,605	24%
1996	83,119,750	23,260,378	28%
1997	63,904,882	22,698,996	36%
1998	57,215,107	24,914,554	44%
1999	63,998,070	30,390,290	47%
2000	62,776,133	37,549,551	60%
2001	67,579,007	47,752,506	71%
2002	104,672,745	65,365,090	62%
2003	<u>121,839,294</u>	<u>85,941,127</u>	<u>71%</u>
Total	796,438,803	380,866,693	48%

The data elements consist of the following:

1. Total limits direct earned premiums by ISO class and claims made year.
2. Earned exposures by ISO class and claims made year.
3. Closed claim count development triangle (excluding claims closed without indemnity payment).
4. Reported claim count development triangle (excluding claims closed without indemnity payment).
5. Direct paid loss development triangle.
6. Direct case basis reported loss development triangle.
7. Direct paid ALAE development triangle.
8. Direct case basis reported ALAE development triangle.
9. Paid loss development triangle with losses limited to \$200,000 per claim.
10. Case basis reported loss development triangle with losses limited to \$200,000 per claim.

Claim counts exclude claims closed without an indemnity payment. This excludes unfounded claims but also excludes some claims having large defense costs. ALAE

(Allocated Loss Adjustment Expenses) includes defense attorney fees, expert witness fees and court costs.

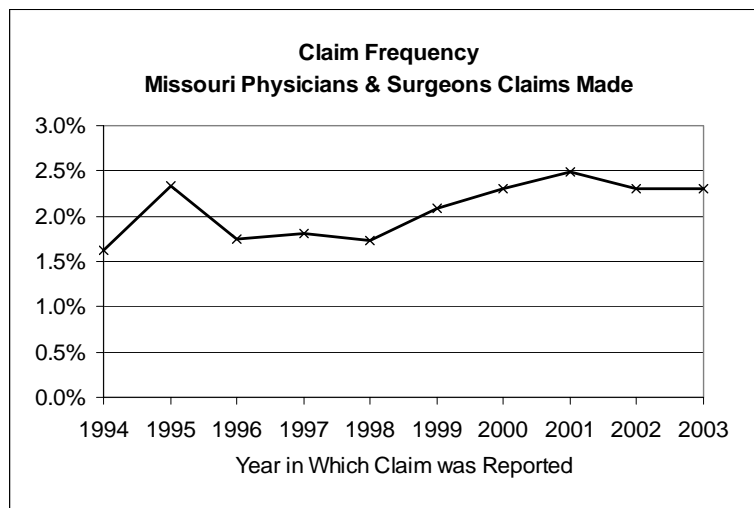
Premiums, losses and expenses were compared to similar data provided in the state page of each company's annual statement, Schedule T, Supplement A. This comparison is inexact, however, the data used in the study is reasonably similar to annual statement figures. The data reporting instructions are provided in Exhibit 51.

Summary of Results

Exposure is a weight assigned to each doctor with a weight of 1.0 assigned to a general practitioner. Medical specialty classifications having a higher or lower risk level are assigned a higher or lower weight. The exposure weights (called class factors) reflect current rate relationships among the medical specialty classifications. A similar weighting system is used to reflect the relative risk of a mature claim made policy (weight of 1.0) relative to policies having less maturity. The weights used in this study (Exhibit 52) are applied uniformly for all insurers and years.

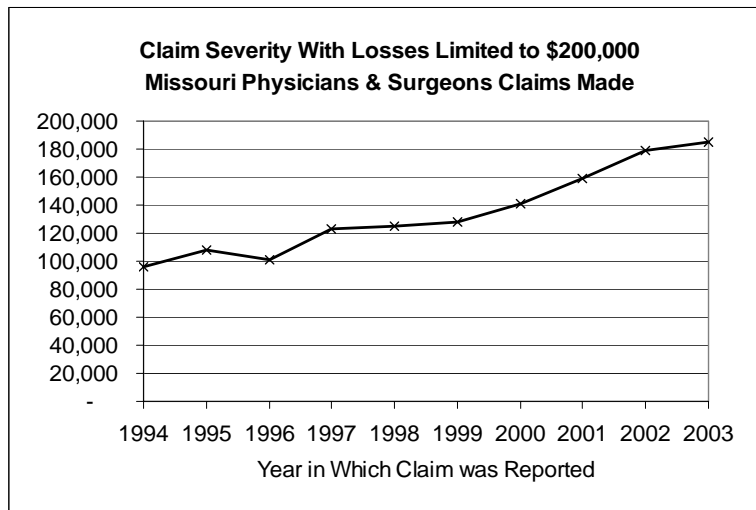
The base rate is the building block of rate making and is directly tied to the definition of exposure. The base rate (exposure weight equals 1.0) is the premium charged to a general practitioner, mature claims made, at minimum limits of liability and with no other risk adjustments. Rates for other medical specialties, lesser maturities, higher limits of liability, and other considerations are set by applying risk adjustment factors to the base rate. This study focuses on the estimated loss and ALAE per exposure which is the foundation of the base rate.

Claim frequency is the estimated average number of claims per exposure. Claims that did not result in an indemnity payment were excluded from the calculation of claim frequency. The following chart shows historical Missouri Physicians and Surgeons Medical Malpractice Insurance claim frequency.



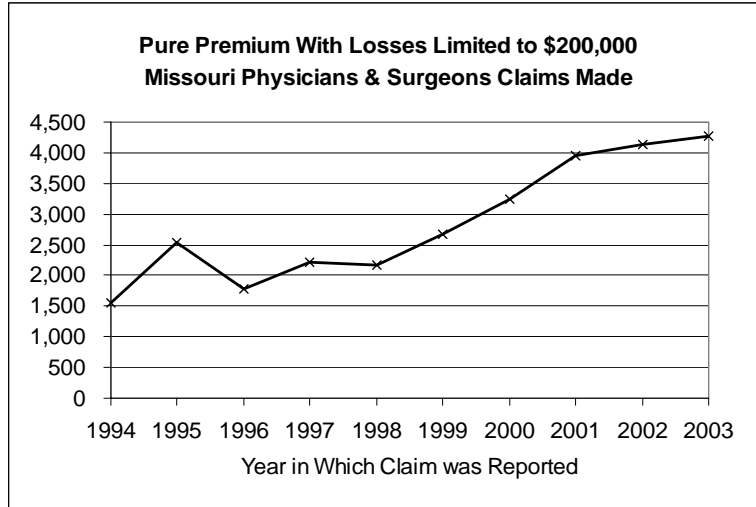
Claim frequency increased at an average annual rate of 4% from 1994 to 2003. Claim frequency appears to be leveling off.

Claim severity is the average settlement value per claim, excluding claims that close without indemnity payment. Because many claims are still open, actuarial loss development methods are applied in order to estimate ultimate settlement values. One problem in measuring severity is that policyholders have varying limits of liability. For this reason losses are adjusted to a common limit of \$200,000 per occurrence. This method tempers the impact of extremely large claims but also masks their importance. The following chart shows historical Missouri Physicians and Surgeons Medical Malpractice insurance limited claim severity.



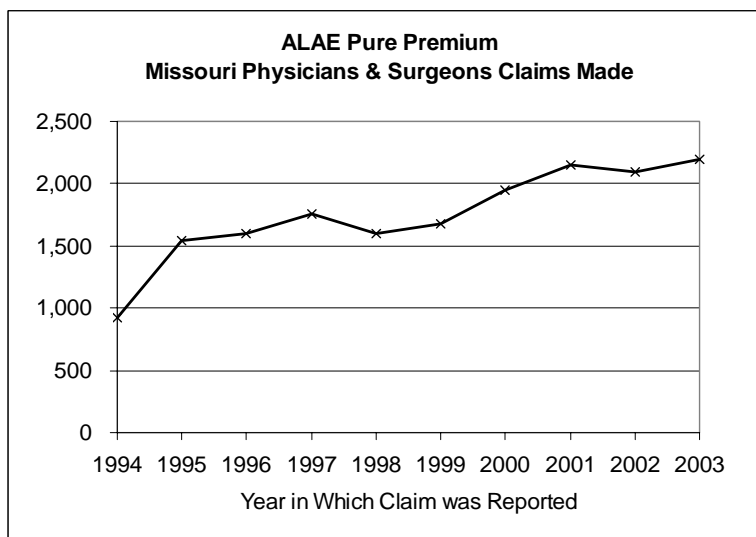
Limited claim severity increased at an average annual rate of 8% from 1994 to 2003. The \$200,000 limitation has a dampening effect on severity.

Pure premium is the average loss per exposure and equals frequency times severity. The following chart shows historical Missouri Physicians and Surgeons Medical Malpractice Insurance limited pure premium.



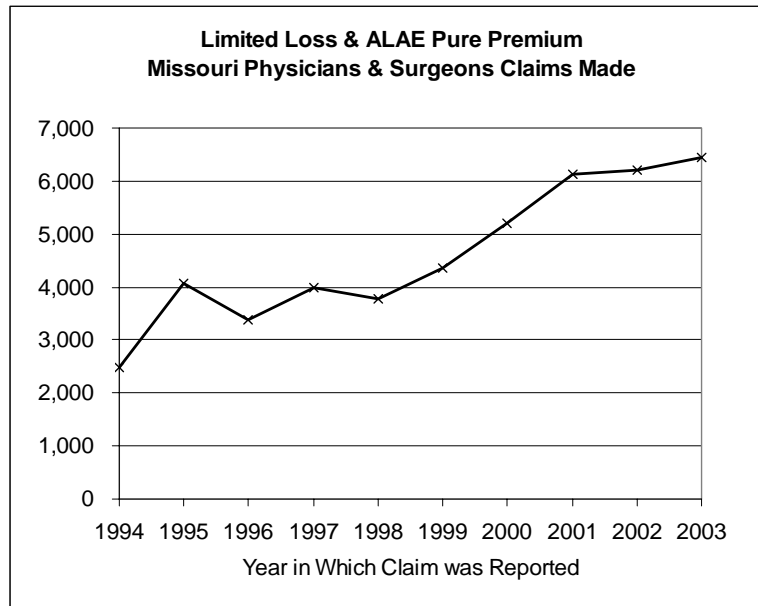
Limited pure premium increased at an average annual rate of 11% from 1994 to 2003. Limited pure premium increased substantially between 1999 and 2001 and more recent experience does not indicate a return to prior levels. The rate of increase has slowed in recent years.

Loss adjustment expenses are a significant part of medical malpractice rates. Direct claim defense costs (attorneys, expert witness and court costs) are called Allocated Loss Adjustment Expenses (ALAE) and exclude insurance company home office claims administration expenses. Because ALAE is not usually subject to policy limits, they are not capped in this analysis. The following chart shows historical Missouri Physicians and Surgeons Medical Malpractice Insurance ALAE per exposure, or ALAE pure premium.



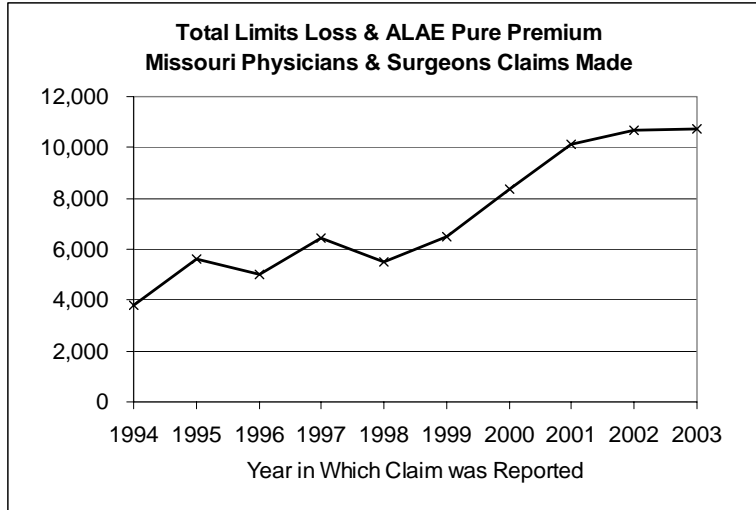
ALAE pure premium increased at an average annual rate of 7% from 1994 to 2003 but the rate of increase has slowed in recent years.

The following chart shows historical Missouri Physicians and Surgeons Medical Malpractice Insurance limited loss and ALAE per exposure, or limited loss and ALAE pure premium.



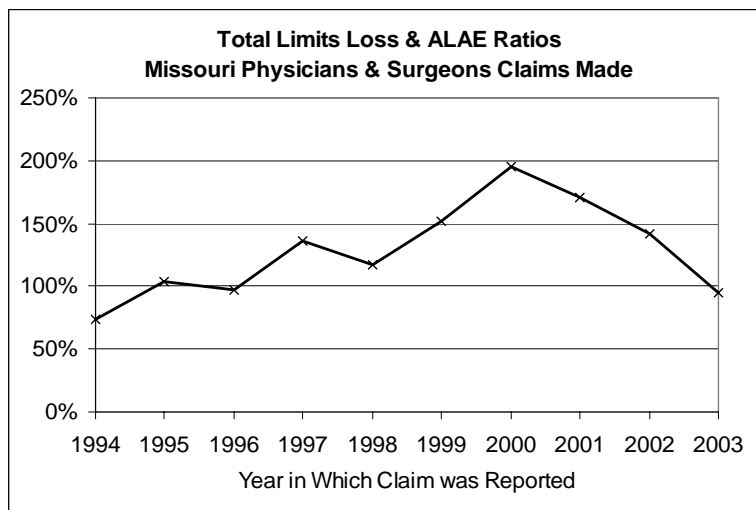
Limited loss and ALAE pure premium increased at an average annual rate of 10% from 1994 to 2003. Limited loss and ALAE pure premium for increased substantially between 1999 and 2001 and more recent experience does not indicate a return to prior levels. The rate of increase has slowed in recent years.

Losses were also compiled on a total limits (T/L all limits in force) basis. Because policyholders may vary their limit of liability over time, T/L losses are not used to establish the base rate. T/L loss and ALAE pure premiums could be useful in assessing changes over a relatively short period where policy limits do not change very much. T/L loss and ALAE pure premiums also provide a “worse case” or upper limit trend indication (assuming that policy limits are not decreasing). The following chart shows historical Missouri Physicians and Surgeons Medical Malpractice Insurance T/L loss and ALAE per exposure, or T/L loss and ALAE pure premium.



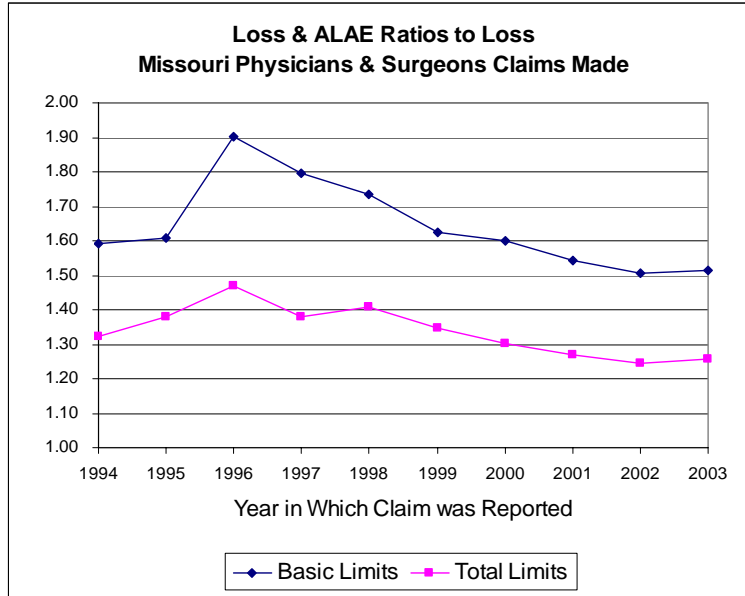
T/L loss and ALAE pure premium increased at an average annual rate of 12% from 1994 to 2003. T/L loss and ALAE pure premium increased substantially between 1999 and 2001 and more recent experience does not indicate a return to prior levels. The rate of increase has slowed in recent years.

Direct earned premiums were compiled on a total limits basis. The accuracy of past rates is evaluated retrospectively by analyzing estimated ultimate loss and ALAE ratios. If the rates set in a prior year were accurate, they would produce the target loss and ALAE ratio underlying the rates, currently averaging about 70%. The following chart shows historical Missouri Physicians and Surgeons Medical Malpractice Insurance total limits loss and ALAE as a percent of total limits collected earned premium, or the total limits loss and ALAE ratio.

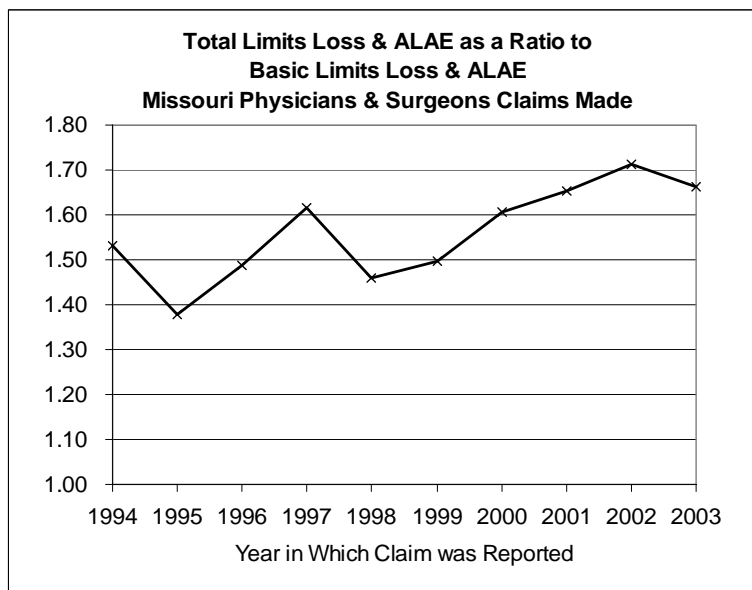


Total limits loss and ALAE ratios increased during 1994 to 2000 and have since declined substantially. Several insurers that have withdrawn from the market had especially poor experience and several insurers have increased rates substantially.

Loss and ALAE is often measured as a ratio to loss and is a key factor in rate making. The following chart shows historical loss and ALAE ratios to loss for both total limits loss and basic limits loss.



Increased limits factors are used to set the price for higher limits of liability relative to basic limits. The ratio of total limits loss and ALAE to basic limits loss and ALAE is a rough indicator of what the average increased limits factor should be. This measure is imprecise because the exact composition of the limits purchased is not known and is subject to change over time. The following chart shows historical total limits loss and ALAE as a ratio to basic limits loss and ALAE.



Reliances

In preparation of this report, I relied on information provided by the insurers being examined, the MDI, the NAIC, and publicly available information. Although the above information was used without audit or verification on my part, I have reviewed it for reasonableness and believe it to be reliable.

Distribution and Use

This appendix is for the use of the MDI. I have no objection to further distribution. The user is requested to use the appendix in its entirety. Any questions about the appendix should be directed to David B. Cox, FCAS, MAAA.

Limitations

This appendix provides forecasts of expected future insurance loss and ALAE development. These forecasts depend upon such factors as changing judicial attitudes, law changes, litigation trends, medical inflation, claim settlement practices and economic conditions. The data underlying this appendix comes from different insurers and there could be distortions in the results due to unknown data problems. Although the estimates discussed herein reflect my best professional judgment, substantial variance of actual results from the projections contained in this report is possible.

Methods and Assumptions

The analysis involves five elements: exposure, claim count, total limits loss, limited loss, and ALAE. Exposures are risk adjusted doctor-years of practice. Closed claim counts and reported claim counts are both used to estimate the ultimate number of claims per year, excluding claims closed without indemnity payment. Paid losses and case basis reported losses are used to estimate the ultimate total limits losses per year. Case basis reported losses are losses paid to date plus case basis reserves (established by claims adjusters case-by-case). The analysis is based on Missouri data direct as to reinsurance and total limits loss and ALAE are consistent with the Annual Statement Schedule P reporting requirements.

Exposures. Each insurer provided earned doctor-years by ISO class and claims made year without risk adjustment by them. In some cases estimates were used due to data problems.

The risk classification factors used in this analysis are the result of an analysis of class factors currently in use by the insurers as well as those determined by ISO. A single set of class and claims made factors were applied to all companies and years. Base class equivalent exposures (exposures) were then summarized by year. The following is a summary of the results.

**Missouri Physicians & Surgeons
Claims Made Medical Malpractice Insurance
Summary of Participating Insurer Exposure Information**

<u>Calendar Year</u>	<u>Unadjusted Doctor-Years</u>	<u>Base Class Equivalent Exposures</u>	<u>Average Cox Class & CM Factor</u>
1994	2,511	4,152	1.65
1995	2,373	3,976	1.68
1996	2,229	4,508	2.02
1997	2,472	4,794	1.94
1998	3,051	5,326	1.75
1999	3,902	7,053	1.81
2000	4,954	8,807	1.78
2001	4,719	8,039	1.70
2002	5,328	8,715	1.64
2003	4,981	7,572	1.52

Loss Development Methods. A variety of loss development methods are used in this analysis to project ultimate settlement values. The methods are as follows:

- **Closed claim count development method.** Closed claim counts are projected to ultimate values based on historical development patterns. Historical count development factors are reviewed and forecasted factors are selected. The selected factors are used to project ultimate claim counts. This method is most reliable when claims closing patterns are stable over time. The closed claim count development patterns for medical malpractice are not generally very stable, particularly for early levels of development.
- **Reported claim count development method.** Reported claim counts are projected to ultimate values based on historical development patterns. Historical development factors are reviewed and forecasted factors are selected. The selected factors are used to project ultimate claim counts. This method is most reliable when development patterns are stable over time, which is generally true for the experience under consideration.
- **Bornhuetter-Ferguson closed claim count method.** This method projects ultimate claim counts in two parts, expected open claims as of year-end 2003 that will close with indemnity payment plus actual closed claims through year-end 2003. Open claims that will close with indemnity payment are estimated to be the expected percentage open times initial expected ultimate claim count. The expected percentage unpaid is based on the selected closed claim count development factors to ultimate. Initial expected ultimate claim counts are based upon ultimate indicated claim counts from the reported claim count development method, except that a linear curve is fit to the ultimate claim frequency excluding 2003. This method is best when claim closing patterns tend to be unstable.
- **Bornhuetter-Ferguson reported claim count method.** This method projects ultimate claim counts in two parts, expected open claims as of year-end 2003 that will close with indemnity payment plus actual reported claims through year-end

2003. Open claims that will close with payment are estimated to be the expected percentage open times initial expected ultimate claim counts. The expected percentage open is based on the selected reported claim count development factors to ultimate. Initial expected ultimate claim count is the same as for the closed claim count Bornhuetter-Ferguson method. This method is best when claim count reporting patterns tend to be unstable.

- **Paid loss development method.** Paid losses are projected to ultimate values based on historical development patterns. Historical loss development factors are reviewed and forecasted factors are selected. The selected factors are used to project ultimate paid losses. This method is most reliable when payment patterns are stable over time. The payment patterns for medical malpractice are not generally very stable, particularly for early levels of development.
- **Reported loss development method.** Case basis reported losses are projected to ultimate values based on historical development patterns. Historical loss development factors are reviewed and forecasted factors are selected. The selected factors are used to project ultimate paid losses. This method is most reliable when the insurers have stable case reserving practices. The case reserving practices of the participating companies combined are generally stable but at least one major insurer does not have stable case reserving practices.
- **Bornhuetter-Ferguson paid loss method.** This method projects ultimate losses in two parts, expected unpaid losses as of year-end 2003 plus actual paid losses through year-end 2003. Unpaid losses are estimated to be the expected percentage unpaid times initial expected ultimate losses. The expected percentage unpaid is based on the selected paid loss development factors to ultimate. Initial expected ultimate losses are based upon ultimate indicated losses from the incurred loss development method, except that a linear curve is fit to the ultimate pure premiums excluding 2003. This method is best when payment patterns tend to be unstable.
- **Bornhuetter-Ferguson reported loss method.** This method projects ultimate losses in two parts, expected unreported losses as of year-end 2003 plus actual reported losses through year-end 2003. Unreported losses are estimated to be the expected percentage unreported times initial expected ultimate losses. The expected percentage unreported is based on the selected incurred loss development factors to ultimate. Initial expected ultimate loss is the same as for the paid Bornhuetter-Ferguson method. This method is best when incurred reporting patterns tend to be unstable.
- **Paid count and average value method.** This method projects ultimate losses as the average loss per claim times the estimated ultimate claim count (taken from claim count analysis). The average loss per claim is paid losses per closed claim. Loss development factors are analyzed and forecasted factors are selected. Methods similar to the paid loss development method and the Bornhuetter-Ferguson paid loss method are applied to average loss per claim. This method provides a separate analysis of frequency and severity.
- **Reported count and average value method.** This method projects ultimate losses as the average loss per claim times the estimated ultimate claim count (taken from claim count analysis). The average loss per claim is case basis reported losses per reported claim. Loss development factors are analyzed and forecasted factors are

selected. Methods similar to the reported loss development method and the Bornhuetter-Ferguson reported loss method are applied to average loss per claim. This method provides a separate analysis of frequency and severity.

- **Reported losses with de-trended average open claim method.** This method is also known as the Berquist-Sherman method. Average case basis reserves at prior levels of maturity are re-stated using an assumed trend rate. The case basis report losses are then adjusted to reflect a more stable average case reserve. Adjusted reported losses equal paid losses plus the number of open claims times the adjusted average open claim value. The trend rate was selected judgmentally based on a review of average paid claim severities and other indications. Methods similar to the reported loss development method, the Bornhuetter-Ferguson reported loss method, and the reported count and average value method are applied to adjusted reported losses. This method adjusts for case reserving methods that may have changed over time.
- **ALAE Methods.** Methods are similar to the paid loss development method, the reported loss development method, the Bornhuetter-Ferguson paid loss method, the Bornhuetter-Ferguson reported loss method, the reported count and average value method and the reported losses with de-trended average open claim. Average paid ALAE per closed claim was not used because ALAE often involve periodic payments and payments may not be related to the claims that are closed. An additional method, the reported ALAE as a percent of reported loss method, is similar to the reported count and average value method.

**Missouri Medical Malpractice Insurance
Calendar Year Data From Missouri Department of Insurance
Physicians & Surgeons (Claims Made plus Occurrence)**

Calendar Year	Direct Premium Written	Percent of Statewide	Change	Direct Premium Earned	Direct Losses Paid	Direct Losses Incurred	Incurred Loss Ratio	ALAE Incurred	Incurred ALAE Ratio	Incurred Loss & ALAE Ratio
<u>Companies In The Study</u>										
1991	40,512,986	58%		42,440,911	26,548,540	26,151,842	62%			
1992	39,286,068	57%	-3%	35,463,235	21,626,954	16,719,244	47%			
1993	53,260,503	65%	36%	41,308,268	26,339,792	27,180,296	66%	9,153,805	22%	88%
1994	55,279,733	64%	4%	54,611,969	20,181,669	25,398,784	47%	15,375,512	28%	75%
1995	53,338,285	64%	-4%	56,859,654	26,754,525	27,216,855	48%	25,916,598	46%	93%
1996	49,183,952	63%	-8%	53,025,741	24,894,762	49,840,213	94%	21,470,415	40%	134%
1997	41,084,528	65%	-16%	45,722,979	33,487,039	26,717,339	58%	4,037,738	9%	67%
1998	37,962,771	68%	-8%	37,699,375	41,656,174	34,686,265	92%	8,443,671	22%	114%
1999	48,442,330	75%	28%	41,738,032	33,627,450	20,119,363	48%	18,819,690	45%	93%
2000	54,974,402	89%	13%	55,016,922	34,192,016	60,444,331	110%	21,010,089	38%	148%
2001	72,342,490	94%	32%	62,782,789	41,859,113	43,089,441	69%	15,020,030	24%	93%
2002	104,780,509	91%	45%	95,571,140	75,245,409	111,447,925	117%	30,742,310	32%	149%
2003	110,982,844	81%	6%	111,634,734	48,971,278	107,794,646	97%	43,354,914	39%	135%
5 Year Total	391,522,575	86%		366,743,617	233,895,266	342,895,706	93%	128,947,033	35%	129%
10 Year Total	628,371,844	76%		614,663,335	380,869,435	506,755,162	82%	204,190,967	33%	116%

**Missouri Medical Malpractice Insurance
 Calendar Year Data From Missouri Department of Insurance
 Physicians & Surgeons (Claims Made plus Occurrence)**

Calendar Year	Direct Premium Written	Percent of Statewide	Change	Direct Premium Earned	Direct Losses Paid	Direct Losses Incurred	Incurred Loss Ratio	ALAE Incurred	Incurred ALAE Ratio	Incurred Loss & ALAE Ratio
<u>Statewide</u>										
1991	70,186,856	100%		75,118,506	47,863,151	50,677,766	67%			
1992	69,085,300	100%	-2%	63,764,526	43,670,444	41,818,995	66%			
1993	81,386,126	100%	18%	68,982,827	38,080,181	45,651,292	66%	10,454,193	15%	81%
1994	86,565,579	100%	6%	83,088,562	41,893,870	42,955,660	52%	19,046,008	23%	75%
1995	83,826,962	100%	-3%	88,245,253	50,848,450	51,227,401	58%	30,731,687	35%	93%
1996	77,903,125	100%	-7%	83,119,750	60,925,814	94,193,143	113%	26,206,679	32%	145%
1997	62,780,784	100%	-19%	63,904,882	44,893,158	39,240,977	61%	7,521,094	12%	73%
1998	55,760,257	100%	-11%	57,215,107	50,609,999	45,501,593	80%	12,392,953	22%	101%
1999	64,853,222	100%	16%	63,998,070	43,998,372	40,408,719	63%	27,154,681	42%	106%
2000	61,518,461	100%	-5%	62,776,133	46,389,410	60,727,760	97%	23,319,447	37%	134%
2001	77,092,452	100%	25%	67,579,007	53,869,948	41,141,286	61%	13,861,856	21%	81%
2002	114,887,033	100%	49%	104,672,745	79,431,185	122,930,348	117%	35,509,145	34%	151%
2003	136,418,623	100%	19%	121,324,955	52,870,665	109,730,497	90%	46,962,315	39%	129%
5 Year Total	454,769,791	100%		420,350,910	276,559,580	374,938,610	89%	112,238,082	27%	116%
10 Year Total	821,606,498	100%		795,924,464	525,730,871	648,057,384	81%	206,197,743	26%	107%

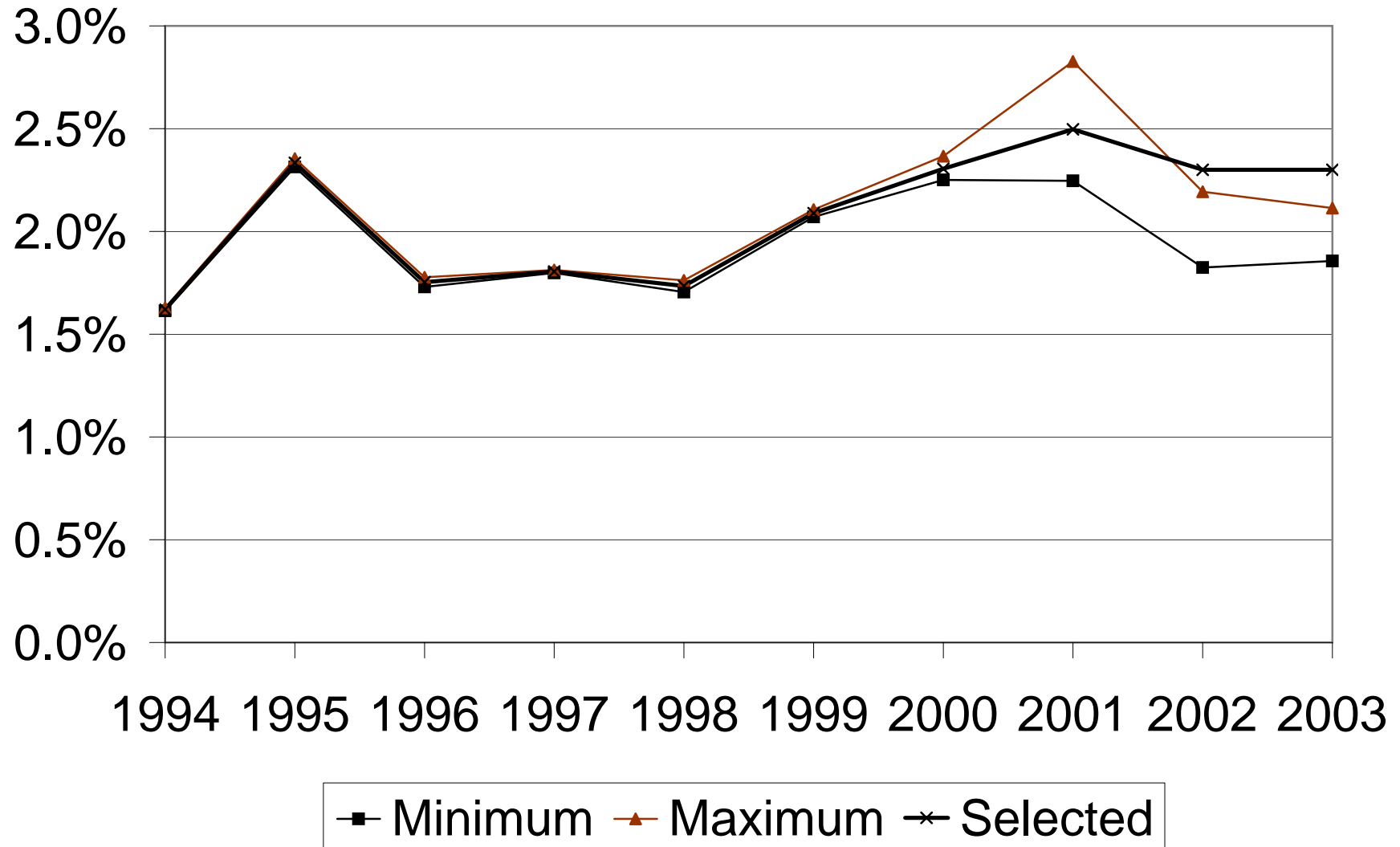
Appendix Sum
Claims Made Excluding Tail Coverage
Summary of Indications

Indicated Claim Frequency

Report Year	Exposure	Closed LDF Method	Closed B-F Method	Reported LDF Method	Reported B-F Method	Last Year	Selected
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1994	4,152	1.6%	1.6%	1.6%	1.6%	1.4%	1.6%
1995	3,976	2.4%	2.4%	2.3%	2.3%	2.1%	2.3%
1996	4,508	1.8%	1.8%	1.7%	1.7%	1.4%	1.8%
1997	4,794	1.8%	1.8%	1.8%	1.8%	1.4%	1.8%
1998	5,326	1.7%	1.7%	1.8%	1.8%	1.6%	1.7%
1999	7,053	2.1%	2.1%	2.1%	2.1%	2.0%	2.1%
2000	8,807	2.3%	2.3%	2.3%	2.4%	2.2%	2.3%
2001	8,039	2.3%	2.2%	2.6%	2.8%	2.1%	2.5%
2002	8,715		1.8%	2.2%	2.2%	2.1%	2.3%
2003	7,572		2.1%	2.0%	1.9%		2.3%
Trend Rate			1.6%	2.8%	2.7%	4.1%	3.5%

Selected ultimate for 1994 to 2001 is the average of (2), (3), (4) & (5).
 Selected ultimate for 2002 & 2003 is based on judgment.

Claim Frequency



Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Closed Claim Count (Excluding Closed Without Pay)

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	6	36	46	55	60	61	63	64	65	65
1995	9	37	59	76	82	87	89	89	90	
1996	8	26	49	63	69	75	76	76		
1997	5	22	49	61	73	81	82			
1998	4	31	50	68	81	84				
1999	4	43	82	115	129					
2000	6	46	115	155						
2001	14	54	108							
2002	4	25								
2003	4									

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	6.00	1.28	1.20	1.09	1.02	1.03	1.02	1.02	1.00
1995	4.11	1.59	1.29	1.08	1.06	1.02	1.00	1.01	
1996	3.25	1.88	1.29	1.10	1.09	1.01	1.00		
1997	4.40	2.23	1.24	1.20	1.11	1.01			
1998	7.75	1.61	1.36	1.19	1.04				
1999	10.75	1.91	1.40	1.12					
2000	7.67	2.50	1.35						
2001	3.86	2.00							
2002	6.25								
2003									
Average	6.00	1.88	1.30	1.13	1.06	1.02	1.01	1.01	
Mid 3 of 5	7.22	2.04	1.33	1.14	1.06				
Mid 5 of 7	5.98	1.93	1.31						
Last Year	7.28	2.14	1.35	1.11	1.09	1.03	1.01	1.01	1.05
Selected	7.22	2.04	1.33	1.13	1.06	1.02	1.01	1.01	1.04
Cumulative	25.49	3.53	1.73	1.30	1.15	1.08	1.06	1.05	1.04

Appendix Sum
Claims Made Excluding Tail Coverage
Closed Claim Count (Excluding Closed Without Pay)

Loss Development Method

Report Year	Exposure (1)	Closed Claim Count (2)	Factor To Ultimate (3)	Indicated Ultimate (2)*(3) (4)	Indicated Claim Frequency (4)/(1) (5)
1994	4,152	65	1.040	68	1.6%
1995	3,976	90	1.040	94	2.4%
1996	4,508	76	1.054	80	1.8%
1997	4,794	82	1.060	87	1.8%
1998	5,326	84	1.081	91	1.7%
1999	7,053	129	1.148	148	2.1%
2000	8,807	155	1.297	201	2.3%
2001	8,039	108	1.726	186	2.3%
2002	8,715	25	3.530	88	1.0%
2003	7,572	4	25.491	102	1.3%
Total		818			

Bornhuetter-Ferguson Method

Report Year	Initial Expected Claim Frequency (7)	Expected Closed Claims (1)*(7)/(3) (8)	Expected Percentage Unpaid 1-1/(3) (9)	Indicated Ultimate (1)*(7)*(9) +(2) (10)	Indicated Claim Frequency (10)/(1) (11)
1994	1.6%	64	4%	68	1.6%
1995	2.3%	88	4%	94	2.4%
1996	1.7%	74	5%	80	1.8%
1997	1.8%	81	6%	87	1.8%
1998	1.8%	87	8%	91	1.7%
1999	2.1%	132	13%	149	2.1%
2000	2.1%	146	23%	198	2.3%
2001	2.1%	100	42%	181	2.2%
2002	2.1%	53	72%	159	1.8%
2003	2.1%	6	96%	160	2.1%
Total		832			

(7) is the same as reported values column (7)

Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Reported Claim Count (Excluding Closed Without Pay)

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	201	141	114	93	78	72	68	67	67	67
1995	218	177	142	111	102	95	92	92	92	
1996	197	164	131	104	90	85	79	78		
1997	217	160	124	104	97	92	87			
1998	224	200	153	122	104	100				
1999	354	278	212	181	166					
2000	472	381	298	257						
2001	461	388	316							
2002	443	370								
2003	362									

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	0.70	0.81	0.82	0.84	0.92	0.94	0.99	1.00	1.00
1995	0.81	0.80	0.78	0.92	0.93	0.97	1.00	1.00	
1996	0.83	0.80	0.79	0.87	0.94	0.93	0.99		
1997	0.74	0.78	0.84	0.93	0.95	0.95			
1998	0.89	0.77	0.80	0.85	0.96				
1999	0.79	0.76	0.85	0.92					
2000	0.81	0.78	0.86						
2001	0.84	0.81							
2002	0.84								
2003									
Average	0.81	0.79	0.82	0.89	0.94	0.95	0.99	1.00	
Mid 3 of 5	0.83	0.77	0.83	0.90	0.94				
Mid 5 of 7	0.82	0.78	0.82						
Last Year	0.83	0.76	0.80	0.85	0.92	0.93	0.99	1.00	1.00
Selected	0.83	0.77	0.83	0.90	0.94	0.95	0.99	1.00	1.00
Cumulative	0.42	0.51	0.66	0.80	0.88	0.94	0.99	1.00	1.00

Appendix Sum
Claims Made Excluding Tail Coverage
Reported Claim Count (Excluding Closed Without Pay)

Loss Development Method

Report Year	Exposure (1)	Reported Claim Count (2)	Factor To Ultimate (3)	Indicated Ultimate (2)*(3) (4)	Indicated Claim Frequency (4)/(1) (5)
1994	4,152	67	1.000	67	1.6%
1995	3,976	92	1.000	92	2.3%
1996	4,508	78	1.000	78	1.7%
1997	4,794	87	0.991	86	1.8%
1998	5,326	100	0.938	94	1.8%
1999	7,053	166	0.883	147	2.1%
2000	8,807	257	0.795	204	2.3%
2001	8,039	316	0.660	209	2.6%
2002	8,715	370	0.511	189	2.2%
2003	7,572	362	0.423	153	2.0%
Total		1,895			

Bornhuetter-Ferguson Method

Report Year	Initial Expected Claim Frequency (7)	Expected Reported Claims (1)*(7)/(3) (8)	Expected Percentage Unreported 1-1/(3) (9)	Indicated Ultimate (1)*(7)*(9) +(2) (10)	Indicated Claim Frequency (10)/(1) (11)
1994	1.6%	67	0%	67	1.6%
1995	2.3%	92	0%	92	2.3%
1996	1.7%	78	0%	78	1.7%
1997	1.8%	87	-1%	86	1.8%
1998	1.8%	100	-7%	94	1.8%
1999	2.1%	171	-13%	146	2.1%
2000	2.1%	238	-26%	208	2.4%
2001	2.1%	261	-51%	227	2.8%
2002	2.1%	366	-96%	191	2.2%
2003	2.1%	384	-136%	141	1.9%
Total		1,844			

(7) is a linear curve fit to (5) 1993 to 2001

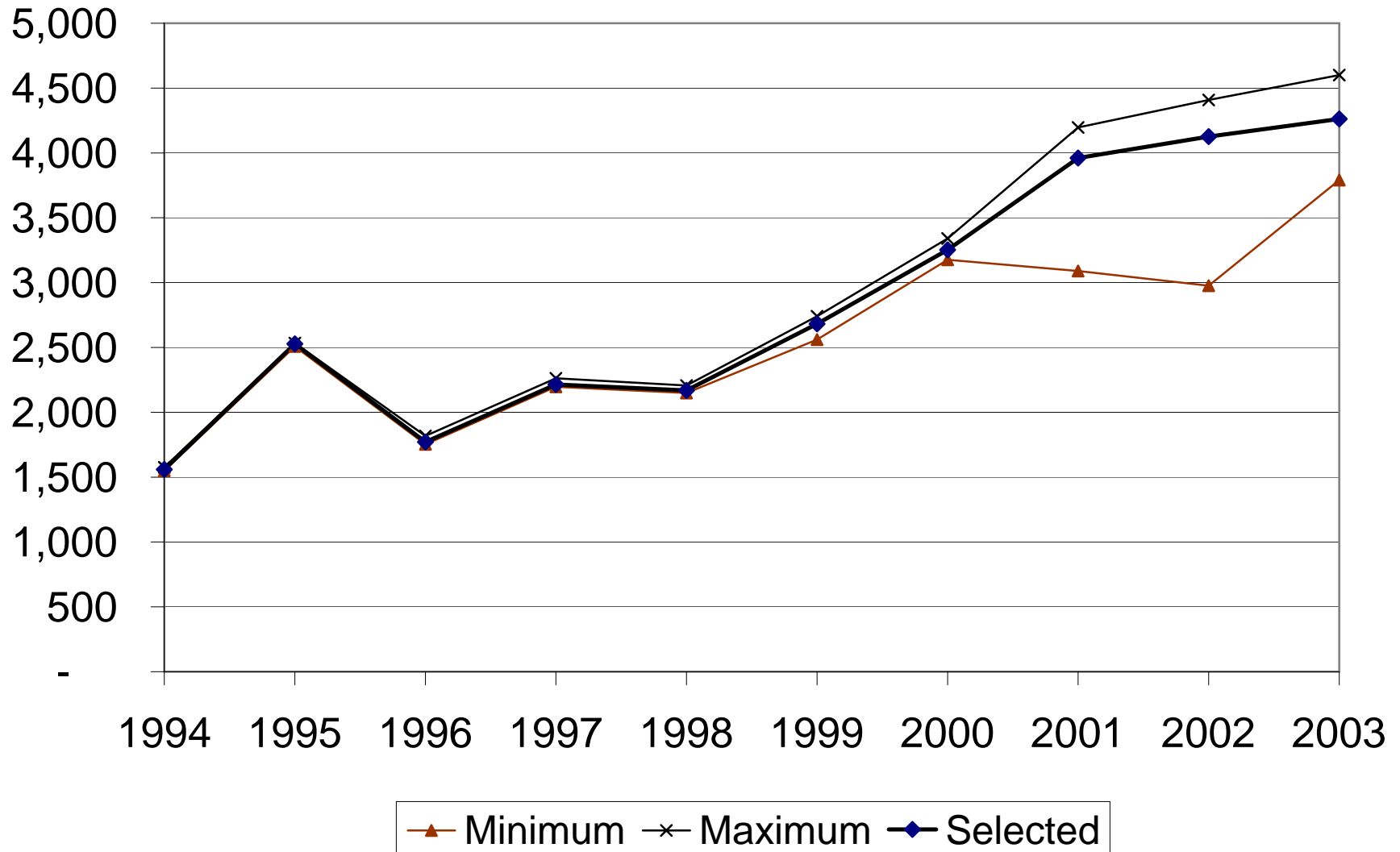
Appendix Sum
Claims Made Excluding Tail Coverage
Summary of Indications

Indicated Pure Premium with Losses Limited to \$200,000

Report Year	Using Paid & Reported Losses				Using Clam Frequency & Severity				Last Year	Selected Ultimate Limited Pure Premium
	Paid Bornhuetter-Ferguson Method	Reported Loss Development Method	Reported Bornhuetter-Ferguson Method	Reported Detrend Avg Open B-F	Paid Bornhuetter-Ferguson Method	Reported Loss Development Method	Reported Bornhuetter-Ferguson Method	Reported Detrend Avg Open B-F		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1994	1,576	1,564	1,563	1,549	1,560	1,556	1,556	1,556	1,435	1,559
1995	2,529	2,533	2,526	2,508	2,520	2,530	2,530	2,530	2,317	2,527
1996	1,817	1,770	1,773	1,753	1,759	1,775	1,775	1,776	1,396	1,771
1997	2,262	2,210	2,211	2,222	2,221	2,197	2,197	2,227	1,818	2,215
1998	2,179	2,207	2,186	2,181	2,149	2,151	2,153	2,164	1,829	2,169
1999	2,633	2,741	2,718	2,627	2,561	2,719	2,728	2,670	2,862	2,682
2000	3,209	3,281	3,266	3,340	3,176	3,217	3,241	3,302	3,616	3,253
2001	3,217	4,148	4,197	3,848	3,089	3,911	3,935	3,663	3,620	3,961
2002	3,342	4,332	4,312	3,546	2,977	4,408	4,165	3,696	3,718	4,126
2003	4,317	4,481	4,415	3,791		4,600	4,268	3,884		4,262
Trend Rate	9.6%	12.1%	12.1%	10.1%		12.2%	11.5%	10.1%	11.3%	11.4%

Selected ultimate for 1994 to 2000 is the average of all excluding high & low values.
 Selected ultimate for 2001 to 2003 is the average of (2), (3), (4), (6), (7) & (8) excluding high & low values.

Limited Pure Premium



Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Paid Losses Limited to \$200,000 per Occurrence

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	318,450	3,734,494	4,785,817	5,266,709	5,865,919	6,065,919	6,140,919	6,155,919	6,255,919	6,255,919
1995	471,786	2,208,501	5,437,006	8,315,521	8,932,521	9,317,521	9,567,521	9,719,274	9,719,274	
1996	426,282	2,208,826	5,090,945	6,536,279	7,053,540	7,628,540	7,668,540	7,668,540		
1997	84,500	2,654,672	5,778,672	7,361,980	8,753,480	10,083,480	10,133,480			
1998	238,917	3,685,191	5,920,191	8,156,191	9,928,691	10,541,191				
1999	502,200	5,194,422	10,543,794	14,188,794	15,817,967					
2000	609,000	5,902,514	15,894,764	21,499,964						
2001	1,539,822	5,389,825	13,380,325							
2002	260,500	3,052,167								
2003	298,500									

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	11.73	1.28	1.10	1.11	1.03	1.01	1.00	1.02	1.00
1995	4.68	2.46	1.53	1.07	1.04	1.03	1.02	1.00	
1996	5.18	2.30	1.28	1.08	1.08	1.01	1.00		
1997	31.42	2.18	1.27	1.19	1.15	1.00			
1998	15.42	1.61	1.38	1.22	1.06				
1999	10.34	2.03	1.35	1.11					
2000	9.69	2.69	1.35						
2001	3.50	2.48							
2002	11.72								
2003									
Average	11.52	2.13	1.32	1.13	1.07	1.01	1.01	1.01	
Mid 3 of 5	10.58	2.23	1.33	1.13	1.06				
Mid 5 of 7	10.47	2.29	1.33						
Last Year	15.04	2.30	1.36	1.11	1.07	1.02	1.00	1.01	1.05
Selected	11.52	2.23	1.33	1.13	1.06	1.01	1.01	1.01	1.05
Cumulative	44.03	3.82	1.71	1.29	1.15	1.08	1.06	1.06	1.05

Appendix Sum
Claims Made Excluding Tail Coverage
Paid Losses Limited to \$200,000 per Occurrence

Loss Development Method

Report Year	Exposure (1)	Limited Paid Loss (2)	Factor To Ultimate (3)	Indicated Ultimate (2)*(3) (4)	Indicated Limited Pure Premium (4)/(1) (5)	Indicated Severity (6)
1994	4,152	6,255,919	1.050	6,568,715	1,582	97,612
1995	3,976	9,719,274	1.050	10,205,238	2,567	109,988
1996	4,508	7,668,540	1.059	8,117,367	1,801	102,720
1997	4,794	10,133,480	1.065	10,792,022	2,251	124,713
1998	5,326	10,541,191	1.078	11,364,866	2,134	123,022
1999	7,053	15,817,967	1.145	18,113,071	2,568	122,933
2000	8,807	21,499,964	1.291	27,762,335	3,152	136,748
2001	8,039	13,380,325	1.714	22,934,644	2,853	114,269
2002	8,715	3,052,167	3.822	11,664,940		
2003	7,572	298,500	44.029	13,142,672		
Total		98,367,326				

Bornhuetter-Ferguson Method

Report Year	Initial Expected Limited Pure Premium (7)	Expected Limited Paid Loss (1)*(7)/(3) (8)	Expected Percentage Unpaid 1-1/(3) (9)	Indicated Ultimate (1)*(7)*(9) +(2) (10)	Indicated Limited Pure Premium (10)/(1) (11)	Indicated Severity (12)
1994	1,456	5,757,981	5%	6,543,818	1,576	97,242
1995	1,781	6,742,584	5%	10,056,403	2,529	108,384
1996	2,105	8,965,091	6%	8,193,252	1,817	103,681
1997	2,430	10,937,073	6%	10,844,245	2,262	125,316
1998	2,754	13,606,125	7%	11,604,356	2,179	125,614
1999	3,079	18,962,140	13%	18,569,274	2,633	126,029
2000	3,403	23,210,994	23%	28,260,714	3,209	139,203
2001	3,728	17,482,385	42%	25,863,750	3,217	128,863
2002	4,052	9,239,442	74%	29,124,538	3,342	145,306
2003	4,377	752,674	98%	32,685,345	4,317	187,675
Total		115,656,488				

Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Case Basis Reported Losses Limited to \$200,000 per Occurrence

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	5,166,396	7,660,327	7,513,430	7,395,415	6,655,919	6,273,919	6,330,919	6,430,924	6,430,924	6,430,924
1995	5,733,481	8,881,600	10,255,947	10,940,973	10,260,773	10,558,849	9,973,021	9,973,021	9,973,283	
1996	4,076,078	7,248,898	10,798,036	9,278,201	9,363,540	8,756,446	8,195,737	7,898,540		
1997	3,267,043	8,279,759	10,340,672	11,799,472	11,273,522	11,058,504	10,563,490			
1998	3,910,965	9,892,731	12,633,203	13,088,226	12,253,195	12,189,704				
1999	7,667,595	19,946,037	21,581,081	21,614,836	20,609,516					
2000	11,403,888	29,168,650	32,921,460	32,466,568						
2001	15,238,419	30,195,675	37,173,923							
2002	14,323,433	34,985,833								
2003	12,527,647									

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	1.48	0.98	0.98	0.90	0.94	1.01	1.02	1.00	1.00
1995	1.55	1.15	1.07	0.94	1.03	0.94	1.00	1.00	
1996	1.78	1.49	0.86	1.01	0.94	0.94	0.96		
1997	2.53	1.25	1.14	0.96	0.98	0.96			
1998	2.53	1.28	1.04	0.94	0.99				
1999	2.60	1.08	1.00	0.95					
2000	2.56	1.13	0.99						
2001	1.98	1.23							
2002	2.44								
2003									
Average	2.16	1.20	1.01	0.95	0.98	0.96	0.99	1.00	
Mid 3 of 5	2.51	1.20	1.01	0.95	0.97				
Mid 5 of 7	2.41	1.21	1.01						
Last Year	2.64	1.16	1.00	0.92	0.96	0.97	1.02	1.02	1.00
Selected	2.51	1.20	1.01	0.95	0.97	0.96	0.99	1.00	1.01
Cumulative	2.71	1.08	0.90	0.89	0.94	0.96	1.00	1.01	1.01

Appendix Sum
Claims Made Excluding Tail Coverage
Case Basis Reported Losses Limited to \$200,000 per Occurrence

Loss Development Method

Report Year	Exposure (1)	Case Basis Limited Reported Loss (2)	Factor To Ultimate (3)	Indicated Ultimate (2)*(3) (4)	Indicated Limited Pure Premium (4)/(1) (5)	Indicated Severity (6)
1994	4,152	6,430,924	1.010	6,495,233	1,564	96,520
1995	3,976	9,973,283	1.010	10,073,016	2,533	108,563
1996	4,508	7,898,540	1.010	7,977,630	1,770	100,952
1997	4,794	10,563,490	1.003	10,596,479	2,210	122,453
1998	5,326	12,189,704	0.964	11,753,352	2,207	127,227
1999	7,053	20,609,516	0.938	19,330,939	2,741	131,198
2000	8,807	32,466,568	0.890	28,896,744	3,281	142,336
2001	8,039	37,173,923	0.897	33,348,604	4,148	166,155
2002	8,715	34,985,833	1.079	37,753,512	4,332	188,357
2003	7,572	12,527,647	2.709	33,931,132	4,481	194,828
Total		184,819,427				

Bornhuetter-Ferguson Method

Report Year	Initial Expected Limited Pure Premium (7)	Expected Limited Reported Loss (1)*(7)/(3) (8)	Expected Percentage Unreported 1-1/(3) (9)	Indicated Ultimate (1)*(7)*(9) +(2) (10)	Indicated Limited Pure Premium (10)/(1) (11)	Indicated Severity (12)
1994	1,456	5,986,020	1%	6,490,784	1,563	96,454
1995	1,781	7,009,617	1%	10,043,379	2,526	108,244
1996	2,105	9,395,721	1%	7,992,622	1,773	101,142
1997	2,430	11,611,576	0%	10,599,752	2,211	122,491
1998	2,754	15,213,897	-4%	11,645,096	2,186	126,055
1999	3,079	23,149,606	-7%	19,173,357	2,718	130,129
2000	3,403	33,674,371	-12%	28,763,941	3,266	141,682
2001	3,728	33,403,098	-11%	33,736,634	4,197	168,088
2002	4,052	32,723,133	7%	37,574,513	4,312	187,464
2003	4,377	12,235,377	63%	33,431,789	4,415	191,961
Total		184,402,416				

Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance

Average Paid Loss Limited to \$200,000 per Closed Claim (excluding closed without pay)

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	53,075	103,736	104,039	95,758	97,765	99,441	97,475	96,186	96,245	96,245
1995	52,421	59,689	92,153	109,415	108,933	107,098	107,500	109,205	107,992	
1996	53,285	84,955	103,897	103,750	102,225	101,714	100,902	100,902		
1997	16,900	120,667	117,932	120,688	119,911	124,487	123,579			
1998	59,729	118,877	118,404	119,944	122,576	125,490				
1999	125,550	120,801	128,583	123,381	122,620					
2000	101,500	128,316	138,215	138,709						
2001	109,987	99,812	123,892							
2002	65,125	122,087								
2003	74,625									
5 Yr Trend	-14%	-1%	3%	6%	4%	6%				

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	1.95	1.00	0.92	1.02	1.02	0.98	0.99	1.00	1.00
1995	1.14	1.54	1.19	1.00	0.98	1.00	1.02	0.99	
1996	1.59	1.22	1.00	0.99	0.99	0.99	1.00		
1997	7.14	0.98	1.02	0.99	1.04	0.99			
1998	1.99	1.00	1.01	1.02	1.02				
1999	0.96	1.06	0.96	0.99					
2000	1.26	1.08	1.00						
2001	0.91	1.24							
2002	1.87								
2003									
Average	2.09	1.14	1.02	1.00	1.01	0.99	1.00	0.99	
Mid 3 of 5	1.37	1.05	1.01	0.99	1.01				
Mid 5 of 7	1.54	1.12	1.00						
Last Year	2.47	1.08	1.03	1.04	1.00	0.99	0.99	1.00	1.05
Selected	1.37	1.05	1.01	0.99	1.01	0.99	1.00	0.99	1.00
Cumulative	1.43	1.04	1.00	0.99	1.00	0.99	1.00	0.99	1.00

Appendix Sum
Claims Made Excluding Tail Coverage
Average Paid Loss Limited to \$200,000 per Closed Claim (excluding closed without pay)

Loss Development Method

Report Year	Est Ultimate Claim Count (1)	Paid Severity (2)	Factor To Ultimate (3)	Indicated Ultimate (2)*(3) (4)	Indicated Ultimate Pure Prem (4)*(1)/Expo (5)
1994	67	96,245	1.000	96,245	1,560
1995	93	107,992	1.000	107,992	2,520
1996	79	100,902	0.995	100,372	1,759
1997	87	123,579	0.996	123,038	2,221
1998	92	125,490	0.988	123,964	2,150
1999	147	122,620	1.000	122,578	2,561
2000	203	138,709	0.994	137,876	3,178
2001	201	123,892	0.999	123,770	3,090
2002	200	122,087	1.045	127,561	2,934
2003	174	74,625	1.428		
Total		120,253			

Bornhuetter-Ferguson Method

Report Year	Initial Expected Severity (7)	Expected Paid Severity (8)	Expected Percentage Unpaid 1-1/(3) (9)	Indicated Ultimate (1)*(7)*(9) +(2) (10)	Indicated Pure Premium (10)*(1)/Expo (11)
1994	89,104	89,104	0%	96,245	1,560
1995	99,312	99,312	0%	107,992	2,520
1996	109,520	110,098	-1%	100,324	1,759
1997	119,728	120,254	0%	123,053	2,221
1998	129,936	131,537	-1%	123,890	2,149
1999	140,144	140,192	0%	122,572	2,561
2000	150,353	151,261	-1%	137,801	3,176
2001	160,561	160,718	0%	123,734	3,089
2002	170,769	163,440	4%	129,415	2,977
2003	180,977	126,708	30%		
Total		131,403			

Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Average Case Basis Reported Loss Limited to \$200,000 per Reported Claim (excluding closed without pay)

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	25,703	54,329	65,907	79,521	85,332	87,138	93,102	95,984	95,984	95,984
1995	26,300	50,179	72,225	98,567	100,596	111,146	108,402	108,402	108,405	
1996	20,691	44,201	82,428	89,213	104,039	103,017	103,744	101,263		
1997	15,055	51,748	83,393	113,456	116,222	120,201	121,419			
1998	17,460	49,464	82,570	107,281	117,819	121,897				
1999	21,660	71,748	101,798	119,419	124,154					
2000	24,161	76,558	110,475	126,329						
2001	33,055	77,824	117,639							
2002	32,333	94,556								
2003	34,607									
5 Yr Trend	13%	15%	10%	8%	6%	8%				

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	2.11	1.21	1.21	1.07	1.02	1.07	1.03	1.00	1.00
1995	1.91	1.44	1.36	1.02	1.10	0.98	1.00	1.00	
1996	2.14	1.86	1.08	1.17	0.99	1.01	0.98		
1997	3.44	1.61	1.36	1.02	1.03	1.01			
1998	2.83	1.67	1.30	1.10	1.03				
1999	3.31	1.42	1.17	1.04					
2000	3.17	1.44	1.14						
2001	2.35	1.51							
2002	2.92								
2003									
Average	2.69	1.52	1.23	1.07	1.04	1.02	1.00	1.00	
Mid 3 of 5	2.98	1.52	1.21	1.05	1.03				
Mid 5 of 7	2.92	1.53	1.24						
Last Year	3.31	1.52	1.26	1.08	1.04	1.05	1.03	1.02	1.00
Selected	2.98	1.52	1.21	1.05	1.03	1.02	1.00	1.00	1.00
Cumulative	6.03	2.03	1.33	1.10	1.05	1.02	1.00	1.00	1.00

Appendix Sum
Claims Made Excluding Tail Coverage
Average Case Basis Reported Loss Limited to \$200,000 per Reported Claim (excluding closed w

Loss Development Method

Report Year	Est Ultimate Claim Count	Case Basis Reported Severity	Factor To Ultimate	Indicated Ultimate (2)*(3)	Indicated Ultimate Pure Prem (4)*(1)/Expo (5)
	(1)	(2)	(3)	(4)	(5)
1994	67	95,984	1.000	95,984	1,556
1995	93	108,405	1.000	108,405	2,530
1996	79	101,263	1.000	101,265	1,775
1997	87	121,419	1.002	121,706	2,197
1998	92	121,897	1.018	124,047	2,151
1999	147	124,154	1.048	130,134	2,719
2000	203	126,329	1.105	139,576	3,217
2001	201	117,639	1.332	156,657	3,911
2002	200	94,556	2.027	191,653	4,408
2003	174	34,607	6.031	200,000	4,600
Total		97,530			

Bornhuetter-Ferguson Method

Report Year	Initial Expected Severity	Expected Reported Severity	Expected Percentage Unreported	Indicated Ultimate (1)*(7)*(9) + (2)	Indicated ALAE Pure Premium (10)/(1)
	(7)	(8)	1-1/(3)	(9)	(10)
1994	89,104	89,104	0%	95,984	1,556
1995	99,312	99,312	0%	108,405	2,530
1996	109,520	109,519	0%	101,265	1,775
1997	119,728	119,446	0%	121,702	2,197
1998	129,936	127,685	2%	124,149	2,153
1999	140,144	133,704	5%	130,594	2,728
2000	150,353	136,083	9%	140,599	3,241
2001	160,561	120,570	25%	157,630	3,935
2002	170,769	84,252	51%	181,073	4,165
2003	180,977	30,009	83%	185,574	4,268
Total		97,158			

Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance

Case Basis Reported Losses Limited to \$200,000 With Detrended Average Open Claim

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	3,143,418	8,268,452	8,777,507	7,572,923	7,313,301	6,840,014	6,463,992	6,441,043	6,486,836	6,430,924
1995	3,802,351	8,858,307	10,796,438	10,652,079	10,701,544	9,936,797	9,780,749	10,032,910	9,973,283	
1996	3,739,318	9,419,114	10,915,292	9,547,101	9,096,761	8,480,044	7,903,091	7,898,540		
1997	4,172,331	10,585,990	11,638,533	10,835,440	11,322,101	11,113,800	10,563,490			
1998	4,905,214	14,369,481	14,772,488	12,954,413	12,636,446	12,189,704				
1999	8,668,220	21,536,960	22,833,876	20,639,738	20,609,516					
2000	12,568,720	31,529,003	34,925,482	32,466,568						
2001	14,159,123	33,494,817	37,173,923							
2002	13,893,297	34,985,833								
2003	12,527,647									

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	2.63	1.06	0.86	0.97	0.94	0.95	1.00	1.01	0.99
1995	2.33	1.22	0.99	1.00	0.93	0.98	1.03	0.99	
1996	2.52	1.16	0.87	0.95	0.93	0.93	1.00		
1997	2.54	1.10	0.93	1.04	0.98	0.95			
1998	2.93	1.03	0.88	0.98	0.96				
1999	2.48	1.06	0.90	1.00					
2000	2.51	1.11	0.93						
2001	2.37	1.11							
2002	2.52								
2003									
Average	2.54	1.11	0.91	0.99	0.95	0.95	1.01	1.00	
Mid 3 of 5	2.50	1.09	0.90	0.99	0.94				
Mid 5 of 7	2.51	1.11	0.90						
Last Year	2.68	1.16	1.01	0.89	0.96	1.02	0.94	1.00	1.05
Selected	2.50	1.09	0.90	0.99	0.94	0.95	1.01	1.00	1.00
Cumulative	2.22	0.89	0.81	0.90	0.91	0.96	1.01	1.00	1.00

Appendix Sum
Claims Made Excluding Tail Coverage
Case Basis Reported Losses Limited to \$200,000 With Detrended Average Open Claim

Loss Development Method

Report Year	Exposure (1)	Case Basis Limited Reported Loss (2)	Factor To Ultimate (3)	Indicated Ultimate (2)*(3) (4)	Indicated Limited Pure Premium (4)/(1) (5)	Indicated Severity (6)
1994	4,152	6,430,924	1.000	6,430,924	1,549	95,564
1995	3,976	9,973,283	1.000	9,973,283	2,508	107,489
1996	4,508	7,898,540	1.001	7,903,146	1,753	100,010
1997	4,794	10,563,490	1.008	10,645,947	2,221	123,025
1998	5,326	12,189,704	0.960	11,706,759	2,198	126,723
1999	7,053	20,609,516	0.907	18,685,471	2,649	126,818
2000	8,807	32,466,568	0.900	29,225,946	3,318	143,957
2001	8,039	37,173,923	0.813	30,233,465	3,761	150,634
2002	8,715	34,985,833	0.886	30,989,818	3,556	154,612
2003	7,572	12,527,647	2.218	27,783,700	3,669	159,531
Total		184,819,427				

Bornhuetter-Ferguson Method

Report Year	Initial Expected Pure Premium (7)	Expected Limited Reported Loss (1)*(7)/(3) (8)	Expected Percentage Unreported 1-1/(3) (9)	Indicated Ultimate (1)*(7)*(9) +(2) (10)	Indicated Limited Pure Premium (10)/(1) (11)	Indicated Severity (12)
1994	1,590	6,599,967	0%	6,430,924	1,549	95,564
1995	1,845	7,337,027	0%	9,973,283	2,508	107,489
1996	2,101	9,466,182	0%	7,904,061	1,753	100,021
1997	2,357	11,211,563	1%	10,651,005	2,222	123,083
1998	2,613	14,489,795	-4%	11,615,631	2,181	125,736
1999	2,868	22,313,990	-10%	18,526,347	2,627	125,738
2000	3,124	30,565,946	-11%	29,415,655	3,340	144,892
2001	3,380	33,408,275	-23%	30,936,520	3,848	154,137
2002	3,636	35,768,441	-13%	30,900,429	3,546	154,166
2003	3,891	13,286,211	55%	28,707,472	3,791	164,835
Total		184,447,397				

Appendix Sum

Missouri Physicians & Surgeons Medical Malpractice Insurance

Claims Made Excluding Tail Coverage

Direct as to Reinsurance

Case Basis Reported Severity Limited to \$200,000 With Detrended Average Open Claim

Detrend= 10%

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	15,639	58,642	76,996	81,429	93,760	95,000	95,059	96,135	96,818	95,984
1995	17,442	50,047	76,031	95,965	104,917	104,598	106,312	109,053	108,405	
1996	18,981	57,434	83,323	91,799	101,075	99,765	100,039	101,263		
1997	19,227	66,162	93,859	104,187	116,723	120,802	121,419			
1998	21,898	71,847	96,552	106,184	121,504	121,897				
1999	24,486	77,471	107,707	114,032	124,154					
2000	26,629	82,753	117,200	126,329						
2001	30,714	86,327	117,639							
2002	31,362	94,556								
2003	34,607									

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	3.75	1.31	1.06	1.15	1.01	1.00	1.01	1.01	0.99
1995	2.87	1.52	1.26	1.09	1.00	1.02	1.03	0.99	
1996	3.03	1.45	1.10	1.10	0.99	1.00	1.01		
1997	3.44	1.42	1.11	1.12	1.03	1.01			
1998	3.28	1.34	1.10	1.14	1.00				
1999	3.16	1.39	1.06	1.09					
2000	3.11	1.42	1.08						
2001	2.81	1.36							
2002	3.02								
2003									
Average	3.16	1.40	1.11	1.12	1.01	1.01	1.02	1.00	
Mid 3 of 5	3.10	1.39	1.09	1.10	1.00				
Mid 5 of 7	3.12	1.41	1.09						
Last Year	3.26	1.52	1.31	1.06	1.06	1.09	0.96	1.00	1.03
Selected	3.10	1.39	1.09	1.10	1.00	1.01	1.02	1.00	1.00
Cumulative	5.34	1.73	1.24	1.14	1.03	1.02	1.02	1.00	1.00

Appendix Sum
Claims Made Excluding Tail Coverage
Case Basis Reported Severity Limited to \$200,000 With Detrended Average Open Claim

Loss Development Method

Report Year	Est Ultimate Claim Count (1)	Case Basis Reported Severity (2)	Factor To Ultimate (3)	Indicated Ultimate (2)*(3) (4)	Indicated Ultimate Pure Prem (4)*(1)/Expo (5)
1994	67	95,984	1.000	95,984	1,556
1995	93	108,405	1.000	108,405	2,530
1996	79	101,263	1.001	101,322	1,776
1997	87	121,419	1.017	123,488	2,229
1998	92	121,897	1.023	124,745	2,164
1999	147	124,154	1.028	127,622	2,666
2000	203	126,329	1.136	143,479	3,307
2001	201	117,639	1.242	146,051	3,646
2002	200	94,556	1.725	163,148	3,752
2003	174	34,607	5.341	184,835	4,251
Total		97,530			

Bornhuetter-Ferguson Method

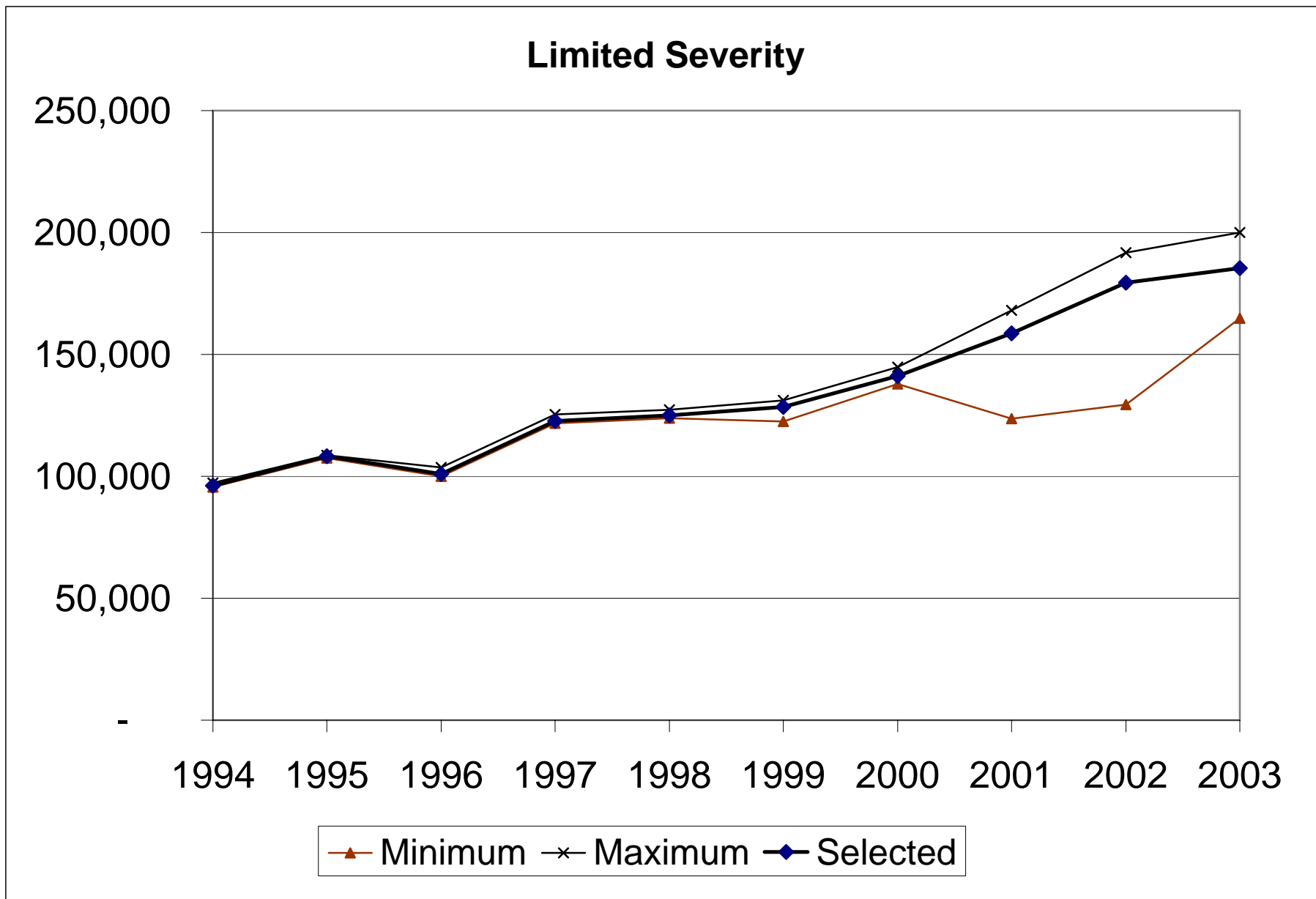
Report Year	Initial Expected Severity (7)	Expected Paid Severity (8)	Expected Percentage Unpaid 1-1/(3) (9)	Indicated Ultimate (1)*(7)*(9) + (2) (10)	Indicated Ultimate Pure Premium (10)*(1)/Expo (11)
1994	94,691	94,691	0%	95,984	1,556
1995	102,525	102,525	0%	108,405	2,530
1996	110,359	110,295	0%	101,328	1,776
1997	118,193	116,213	2%	123,400	2,227
1998	126,027	123,150	2%	124,774	2,164
1999	133,861	130,223	3%	127,792	2,670
2000	141,695	124,759	12%	143,265	3,302
2001	149,529	120,440	19%	146,728	3,663
2002	157,363	91,204	42%	160,716	3,696
2003	165,197	30,930	81%	168,874	3,884
Total		96,827			

**Appendix Sum
Claims Made Excluding Tail Coverage
Summary of Indications**

Indicated Claim Severity With Losses Limited to \$200,000

Report Year	Using Paid & Reported Losses				Using Claim Frequency & Severity				Last Year	Selected Ultimate Limited Severity
	Paid Bornhuetter-Ferguson Method	Reported Loss Development Method	Reported Bornhuetter-Ferguson Method	Reported Detrend Avg Open B-F	Paid Bornhuetter-Ferguson Method	Reported Loss Development Method	Reported Bornhuetter-Ferguson Method	Reported Detrend Avg Open B-F		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1994	97,242	96,520	96,454	95,564	96,245	95,984	95,984	95,984	100,437	96,195
1995	108,384	108,563	108,244	107,489	107,992	108,405	108,405	108,405	109,961	108,306
1996	103,681	100,952	101,142	100,021	100,324	101,265	101,265	101,328	97,657	101,046
1997	125,316	122,453	122,491	123,083	123,053	121,706	121,702	123,400	132,043	122,698
1998	125,614	127,227	126,055	125,736	123,890	124,047	124,149	124,774	113,835	125,063
1999	126,029	131,198	130,129	125,738	122,572	130,134	130,594	127,792	140,343	128,402
2000	139,203	142,336	141,682	144,892	137,801	139,576	140,599	143,265	164,084	141,110
2001	128,863	166,155	168,088	154,137	123,734	156,657	157,630	146,728	176,325	158,645
2002	145,306	188,357	187,464	154,166	129,415	191,653	181,073	160,716	177,053	179,402
2003	187,675	194,828	191,961	164,835		200,000	185,574	168,874		185,310
Trend Rate	5.8%	8.3%	8.2%	6.3%		8.4%	7.7%	6.4%	6.9%	7.6%

Selected ultimate equals selected Total Limits pure premium divided by selected frequency.



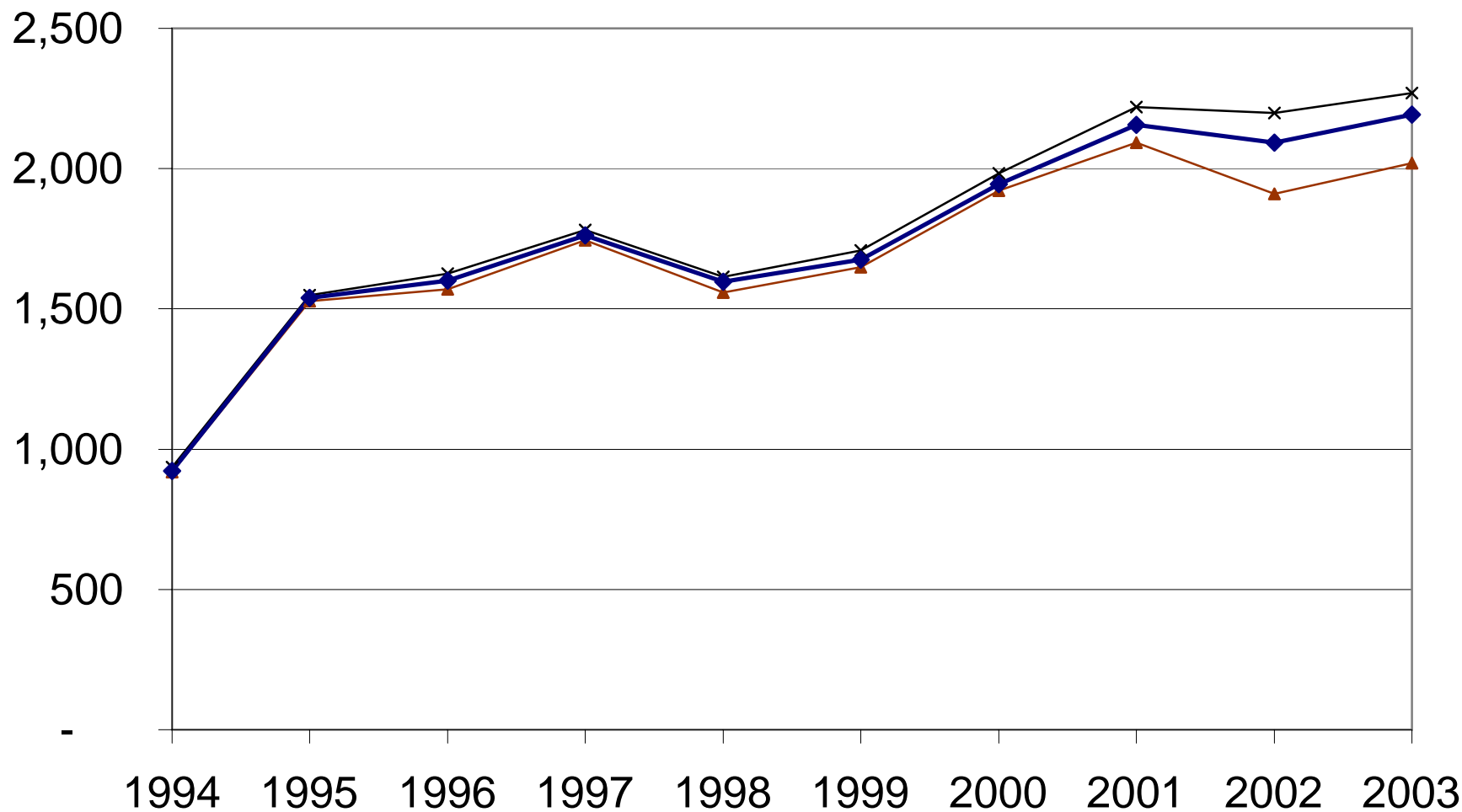
Appendix Sum
Claims Made Excluding Tail Coverage
Summary of Indications

Indicated ALAE Pure Premium

Report Year	Using Paid & Reported ALAE				Using Clam Frequency, Severity & Ratio to Loss				Last Year	Selected Ultimate ALAE Pure Premium
	Paid Bornhuetter-Ferguson Method	Reported Loss Development Method	Reported Bornhuetter-Ferguson Method	Reported Detrend Avg Open B-F	Reported Bornhuetter-Ferguson Method	Reported ALAE Ratio Development Method	Reported ALAE Ratio B-F Method	Reported Detrend Avg Open B-F		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1994	936	918	918	918	922	928	928	922	1,017	923
1995	1,528	1,533	1,533	1,533	1,546	1,548	1,548	1,546	1,498	1,540
1996	1,608	1,571	1,571	1,607	1,592	1,608	1,613	1,626	1,728	1,600
1997	1,763	1,745	1,746	1,765	1,750	1,780	1,781	1,767	1,964	1,762
1998	1,607	1,592	1,594	1,615	1,558	1,607	1,600	1,575	1,807	1,596
1999	1,654	1,669	1,674	1,649	1,694	1,708	1,698	1,667	1,902	1,676
2000	1,955	1,922	1,922	1,960	1,957	1,936	1,940	1,983	2,274	1,945
2001	2,129	2,166	2,137	2,185	2,173	2,093	2,141	2,219	2,216	2,155
2002	2,157	2,028	2,074	2,161	2,149	1,909	1,990	2,197	2,316	2,093
2003	2,269	2,019	2,171	2,144	2,234	2,182	2,192	2,229		2,192
Trend Rate	7.6%	6.9%	7.4%	7.5%	7.7%	6.8%	7.0%	7.8%	7.5%	7.4%

Selected ultimate is the average of all excluding high & low values.

ALAE Pure Premium



—▲ Minimum —× Maximum —◆ Selected

Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Paid ALAE (Defense & Cost Containment Expense)

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	290,624	1,443,214	2,383,972	3,037,361	3,534,837	3,643,624	3,757,109	3,767,743	3,783,506	3,788,409
1995	509,147	2,030,072	3,899,799	5,056,392	5,558,489	5,773,449	5,847,746	5,880,042	5,973,175	
1996	343,764	1,964,573	4,078,365	5,543,948	6,412,404	6,691,130	6,968,618	7,057,456		
1997	578,867	2,909,395	5,022,832	6,214,122	7,246,516	7,870,712	8,180,031			
1998	557,227	2,448,285	5,160,034	6,597,148	7,517,859	7,974,900				
1999	764,020	3,724,114	6,542,680	9,193,623	10,298,163					
2000	1,115,942	5,545,740	10,144,823	13,565,743						
2001	1,192,274	5,174,200	10,443,200							
2002	1,269,995	6,010,050								
2003	1,201,929									

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	4.97	1.65	1.27	1.16	1.03	1.03	1.00	1.00	1.00
1995	3.99	1.92	1.30	1.10	1.04	1.01	1.01	1.02	
1996	5.71	2.08	1.36	1.16	1.04	1.04	1.01		
1997	5.03	1.73	1.24	1.17	1.09	1.04			
1998	4.39	2.11	1.28	1.14	1.06				
1999	4.87	1.76	1.41	1.12					
2000	4.97	1.83	1.34						
2001	4.34	2.02							
2002	4.73								
2003									
Average	4.78	1.89	1.31	1.14	1.05	1.03	1.01	1.01	
Mid 3 of 5	4.67	1.87	1.33	1.14	1.05				
Mid 5 of 7	4.80	1.92	1.31						
Last Year	4.45	1.88	1.31	1.14	1.04	1.03	1.00	1.00	1.05
Selected	4.67	1.87	1.33	1.14	1.05	1.03	1.01	1.01	1.02
Cumulative	14.74	3.16	1.69	1.28	1.12	1.07	1.04	1.03	1.02

Appendix Sum
Claims Made Excluding Tail Coverage
Paid ALAE (Defense & Cost Containment Expense)

Loss Development Method

Report Year	Exposure (1)	Paid ALAE (2)	Factor To Ultimate (3)	Indicated Ultimate (2)*(3) (4)	Indicated ALAE Pure Premium (4)/(1) (5)	Indicated Severity (6)
1994	4,152	3,788,409	1.020	3,864,177	931	57,422
1995	3,976	5,973,175	1.020	6,092,639	1,532	65,664
1996	4,508	7,057,456	1.030	7,270,673	1,613	92,006
1997	4,794	8,180,031	1.037	8,486,437	1,770	98,069
1998	5,326	7,974,900	1.070	8,531,731	1,602	92,354
1999	7,053	10,298,163	1.121	11,542,119	1,636	78,336
2000	8,807	13,565,743	1.276	17,314,538	1,966	85,286
2001	8,039	10,443,200	1.691	17,661,383	2,197	87,996
2002	8,715	6,010,050	3.159	18,988,124	2,179	94,734
2003	7,572	1,201,929	14.744	17,721,566	2,340	101,755
Total		74,493,057				

Bornhuetter-Ferguson Method

Report Year	Initial Expected ALAE Pure Premium (7)	Expected Paid ALAE (1)*(7)/(3) (8)	Expected Percentage Unpaid 1-1/(3) (9)	Indicated Ultimate (1)*(7)*(9) +(2) (10)	Indicated Pure Premium (10)/(1) (11)	Indicated Severity (12)
1994	1,218	4,958,540	2%	3,887,580	936	57,770
1995	1,334	5,201,073	2%	6,077,197	1,528	65,498
1996	1,450	6,346,809	3%	7,249,203	1,608	91,734
1997	1,567	7,239,294	4%	8,451,199	1,763	97,662
1998	1,683	8,377,954	7%	8,559,874	1,607	92,658
1999	1,799	11,320,356	11%	11,665,594	1,654	79,174
2000	1,915	13,214,646	22%	17,217,514	1,955	84,808
2001	2,031	9,655,294	41%	17,116,795	2,129	85,282
2002	2,147	5,923,080	68%	18,800,320	2,157	93,797
2003	2,264	1,162,457	93%	17,179,048	2,269	98,640
Total		73,399,502				

(7) is the same as reported values column (7)

Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Case Basis Reported ALAE (Defense & Cost Containment Expense)

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	2,383,942	3,021,505	3,422,662	3,624,454	3,787,051	3,780,993	3,815,046	3,805,733	3,810,288	3,810,288
1995	4,165,879	5,291,788	5,403,456	5,853,887	6,011,981	6,164,465	6,124,867	6,128,191	6,093,898	
1996	3,803,741	4,210,373	5,173,911	6,277,966	6,780,385	6,908,545	7,066,833	7,097,119		
1997	4,525,960	5,551,240	6,593,355	7,103,782	7,857,222	8,050,578	8,379,020			
1998	3,849,362	4,843,203	6,736,002	7,403,076	7,821,476	8,354,915				
1999	5,876,921	7,724,411	9,046,009	10,736,920	11,334,991					
2000	5,611,582	10,209,544	12,939,581	15,323,118						
2001	5,429,839	9,315,457	13,625,787							
2002	5,343,563	10,785,420								
2003	5,771,367									

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	1.27	1.13	1.06	1.04	1.00	1.01	1.00	1.00	1.00
1995	1.27	1.02	1.08	1.03	1.03	0.99	1.00	0.99	
1996	1.11	1.23	1.21	1.08	1.02	1.02	1.00		
1997	1.23	1.19	1.08	1.11	1.02	1.04			
1998	1.26	1.39	1.10	1.06	1.07				
1999	1.31	1.17	1.19	1.06					
2000	1.82	1.27	1.18						
2001	1.72	1.46							
2002	2.02								
2003									
Average	1.44	1.23	1.13	1.06	1.03	1.02	1.00	1.00	
Mid 3 of 5	1.62	1.28	1.16	1.06	1.02				
Mid 5 of 7	1.47	1.25	1.13						
Last Year	1.47	1.26	1.14	1.06	1.02	1.01	1.00	1.00	1.02
Selected	1.62	1.28	1.16	1.06	1.02	1.02	1.00	1.00	1.00
Cumulative	2.65	1.64	1.28	1.10	1.04	1.02	1.00	1.00	1.00

Appendix Sum
Claims Made Excluding Tail Coverage
Case Basis Reported ALAE (Defense & Cost Containment Expense)

Loss Development Method

Report Year	Exposure (1)	Case Basis Reported ALAE (2)	Factor To Ultimate (3)	Indicated Ultimate (2)*(3) (4)	Indicated ALAE Pure Premium (4)/(1) (5)	Indicated Severity (6)
1994	4,152	3,810,288	1.000	3,810,288	918	56,621
1995	3,976	6,093,898	1.000	6,093,898	1,533	65,678
1996	4,508	7,097,119	0.998	7,081,509	1,571	89,612
1997	4,794	8,379,020	0.999	8,367,243	1,745	96,692
1998	5,326	8,354,915	1.015	8,481,443	1,592	91,809
1999	7,053	11,334,991	1.038	11,770,819	1,669	79,888
2000	8,807	15,323,118	1.105	16,931,991	1,922	83,401
2001	8,039	13,625,787	1.278	17,416,091	2,166	86,773
2002	8,715	10,785,420	1.639	17,672,895	2,028	88,172
2003	7,572	5,771,367	2.649	15,286,587	2,019	87,774
Total		90,575,923				

Bornhuetter-Ferguson Method

Report Year	Initial Expected ALAE Pure Premium (7)	Expected Reported ALAE (1)*(7)/(3) (8)	Expected Percentage Unreported 1-1/(3) (9)	Indicated Ultimate (1)*(7)*(9) +(2) (10)	Indicated ALAE Pure Premium (10)/(1) (11)	Indicated Severity (12)
1994	1,218	5,057,711	0%	3,810,288	918	56,621
1995	1,334	5,305,094	0%	6,093,898	1,533	65,678
1996	1,450	6,552,969	0%	7,082,706	1,571	89,627
1997	1,567	7,521,034	0%	8,368,449	1,746	96,706
1998	1,683	8,829,216	1%	8,488,626	1,594	91,887
1999	1,799	12,218,007	4%	11,804,770	1,674	80,118
2000	1,915	15,263,775	10%	16,925,760	1,922	83,371
2001	2,031	12,775,195	22%	17,179,481	2,137	85,595
2002	2,147	11,420,389	39%	18,078,381	2,074	90,195
2003	2,264	6,470,953	62%	16,439,990	2,171	94,396
Total		91,414,343				

(7) is a linear curve fit to (5) 1993 to 2001

Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Average Case Basis Reported ALAE per Reported Claim (excluding closed without pay)

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	11,860	21,429	30,023	38,973	48,552	52,514	56,104	56,802	56,870	56,870
1995	19,110	29,897	38,053	52,738	58,941	64,889	66,575	66,611	66,238	
1996	19,308	25,673	39,496	60,365	75,338	81,277	89,454	90,989		
1997	20,857	34,695	53,172	68,306	81,002	87,506	96,311			
1998	17,185	24,216	44,026	60,681	75,206	83,549				
1999	16,601	27,786	42,670	59,320	68,283					
2000	11,889	26,797	43,421	59,623						
2001	11,778	24,009	43,120							
2002	12,062	29,150								
2003	15,943									
5 Yr Trend	-1%	2%	-4%	-2%	3%	13%				

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	1.81	1.40	1.30	1.25	1.08	1.07	1.01	1.00	1.00
1995	1.56	1.27	1.39	1.12	1.10	1.03	1.00	0.99	
1996	1.33	1.54	1.53	1.25	1.08	1.10	1.02		
1997	1.66	1.53	1.28	1.19	1.08	1.10			
1998	1.41	1.82	1.38	1.24	1.11				
1999	1.67	1.54	1.39	1.15					
2000	2.25	1.62	1.37						
2001	2.04	1.80							
2002	2.42								
2003									
Average	1.80	1.56	1.38	1.20	1.09	1.07	1.01	1.00	
Mid 3 of 5	1.99	1.65	1.38	1.19	1.09				
Mid 5 of 7	1.81	1.60	1.37						
Last Year	1.85	1.65	1.46	1.27	1.11	1.09	1.01	1.00	1.05
Selected	1.99	1.65	1.38	1.19	1.09	1.07	1.01	1.00	1.00
Cumulative	6.36	3.20	1.94	1.40	1.18	1.08	1.01	1.00	1.00

Appendix Sum
Claims Made Excluding Tail Coverage
Average Case Basis Reported ALAE per Reported Claim (excluding closed without pay)

Loss Development Method

Report Year	Est Ultimate Claim Count (1)	Reported ALAE Severity (2)	Factor To Ultimate (3)	Indicated Ultimate ALAE Severity (2)*(3) (4)	Indicated Ultimate ALAE Pure Prem (4)*(1)/Expo (5)
1994	67	56,870	1.000	56,870	922
1995	93	66,238	1.000	66,238	1,546
1996	79	90,989	0.998	90,789	1,591
1997	87	96,311	1.008	97,065	1,752
1998	92	83,549	1.082	90,425	1,568
1999	147	68,283	1.177	80,377	1,679
2000	203	59,623	1.403	83,666	1,929
2001	201	43,120	1.937	83,533	2,086
2002	200	29,150	3.198	93,215	2,144
2003	174	15,943	6.359	101,387	2,332
Total		47,797			

Bornhuetter-Ferguson Method

Report Year	Initial Expected Severity (7)	Expected Reported ALAE Severity (7)/(3) (8)	Expected Percentage Unreported 1-1/(3) (9)	Indicated Ultimate ALAE Severity (1)*(7)*(9) +(2) (10)	Indicated Ultimate ALAE Pure Prem (10)*(1)/Expo (11)
1994	71,375	71,375	0%	56,870	922
1995	74,147	74,147	0%	66,238	1,546
1996	76,920	77,089	0%	90,819	1,592
1997	79,692	79,073	1%	96,930	1,750
1998	82,464	76,194	8%	89,820	1,558
1999	85,236	72,412	15%	81,108	1,694
2000	88,009	62,718	29%	84,914	1,957
2001	90,781	46,861	48%	87,040	2,173
2002	93,553	29,255	69%	93,447	2,149
2003	96,325	15,147	84%	97,121	2,234
Total		48,216			

(7) is a linear curve fit to (4) 1993 to 2001

Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Reported ALAE as a Percent of Reported Losses

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	43%	31%	35%	34%	36%	32%	33%	32%	32%	32%
1995	62%	44%	36%	37%	38%	38%	39%	39%	38%	
1996	79%	35%	29%	39%	40%	44%	47%	48%		
1997	110%	31%	29%	30%	34%	36%	39%			
1998	96%	34%	31%	33%	37%	40%				
1999	58%	28%	28%	33%	33%					
2000	34%	24%	23%	27%						
2001	31%	21%	20%							
2002	28%	18%								
2003	34%									
5 Yr Trend	-12%	-15%	-10%	-6%	-4%	4%				

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	0.71	1.13	0.97	1.06	0.90	1.00	0.99	1.00	1.00
1995	0.71	0.83	1.02	1.03	1.01	1.03	1.00	0.97	
1996	0.45	0.81	1.36	1.03	1.09	1.06	1.03		
1997	0.28	0.95	1.01	1.16	1.05	1.07			
1998	0.36	0.91	1.08	1.10	1.09				
1999	0.48	1.01	1.18	0.98					
2000	0.69	0.96	1.15						
2001	0.68	0.97							
2002	0.63								
2003									
Average	0.55	0.95	1.11	1.06	1.03	1.04	1.01	0.98	
Mid 3 of 5	0.60	0.96	1.14	1.05	1.05				
Mid 5 of 7	0.52	0.93	1.09						
Last Year	0.60	0.94	1.15	1.08	1.04	1.02	0.99	0.98	1.00
Selected	0.60	0.96	1.14	1.05	1.05	1.04	1.01	0.98	1.00
Cumulative	0.74	1.25	1.29	1.14	1.08	1.03	0.99	0.98	1.00

Appendix Sum
Claims Made Excluding Tail Coverage
Reported ALAE as a Percent of Reported Losses

Loss Development Method

Report Year	Est Ultimate Losses (1)	Case Basis Reported ALAE Ratio (2)	Factor To Ultimate (3)	Indicated Ultimate (2)*(3) (4)	Indicated Ultimate ALAE Pure Prem (4)*(1)/Expo (5)	Indicated Severity (6)
1994	11,951,209	32%	1.000	32%	928	57,273
1995	16,139,568	38%	1.000	38%	1,548	66,341
1996	15,388,211	48%	0.984	47%	1,608	91,712
1997	22,336,905	39%	0.990	38%	1,780	98,643
1998	20,779,900	40%	1.031	41%	1,607	92,672
1999	34,162,832	33%	1.080	35%	1,708	81,737
2000	56,403,285	27%	1.138	30%	1,936	83,982
2001	63,953,588	20%	1.293	26%	2,093	83,850
2002	74,621,410	18%	1.246	22%	1,909	83,021
2003	64,654,818	34%	0.743	26%	2,182	94,885
Total		28%				

Bornhuetter-Ferguson Method

Report Year	Initial Expected ALAE Ratio (7)	Expected Reported ALAE (1)*(7)/(3) (8)	Expected Percentage Unreported 1-1/(3) (9)	Indicated Ultimate (1)*(7)*(9) +(2) (10)	Indicated Ultimate ALAE Pure Prem (10)*(1)/Expo (11)	Indicated Severity (12)
1994	42%	42%	0%	32%	928	57,273
1995	40%	40%	0%	38%	1,548	66,341
1996	38%	39%	-2%	47%	1,613	91,995
1997	36%	37%	-1%	38%	1,781	98,692
1998	35%	34%	3%	41%	1,600	92,226
1999	33%	30%	7%	35%	1,698	81,295
2000	31%	27%	12%	30%	1,940	84,182
2001	29%	22%	23%	27%	2,141	85,759
2002	27%	22%	20%	23%	1,990	86,540
2003	25%	34%	-35%	26%	2,192	95,314
Total		29%				

(7) is a linear curve fit to (4) 1993 to 2001

Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Case Basis Reported ALAE With Detrended Average Open Claim

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	2,779,564	2,896,588	3,424,433	3,692,069	4,039,239	3,904,884	3,956,099	3,827,237	3,904,228	3,810,288
1995	3,176,780	3,967,903	5,169,773	5,659,413	6,118,936	5,963,456	5,967,139	5,939,536	6,093,898	
1996	2,756,121	3,874,721	5,333,039	6,250,344	7,000,874	6,928,639	7,088,011	7,097,119		
1997	3,284,792	4,819,543	6,170,400	6,954,976	7,919,052	8,131,972	8,379,020			
1998	3,365,261	4,787,524	6,736,027	7,527,523	8,162,373	8,354,915				
1999	5,231,348	6,976,902	8,531,797	10,330,748	11,334,991					
2000	7,063,870	10,182,693	12,944,888	15,323,118						
2001	6,897,689	9,797,312	13,625,787							
2002	6,873,301	10,785,420								
2003	5,771,367									

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	1.04	1.18	1.08	1.09	0.97	1.01	0.97	1.02	0.98
1995	1.25	1.30	1.09	1.08	0.97	1.00	1.00	1.03	
1996	1.41	1.38	1.17	1.12	0.99	1.02	1.00		
1997	1.47	1.28	1.13	1.14	1.03	1.03			
1998	1.42	1.41	1.12	1.08	1.02				
1999	1.33	1.22	1.21	1.10					
2000	1.44	1.27	1.18						
2001	1.42	1.39							
2002	1.57								
2003									
Average	1.37	1.30	1.14	1.10	1.00	1.02	0.99	1.02	
Mid 3 of 5	1.43	1.31	1.16	1.10	1.00				
Mid 5 of 7	1.43	1.32	1.14						
Last Year	1.97	1.37	1.19	1.01	1.02	1.03	1.01	0.97	1.05
Selected	1.43	1.31	1.16	1.10	1.00	1.02	0.99	1.02	1.00
Cumulative	2.45	1.72	1.31	1.13	1.02	1.03	1.01	1.02	1.00

Appendix Sum
Claims Made Excluding Tail Coverage
Case Basis Reported ALAE With Detrended Average Open Claim

Loss Development Method

Report Year	Exposure (1)	Case Basis Limited Reported Loss (2)	Factor To Ultimate (3)	Indicated Ultimate (2)*(3) (4)	Indicated Limited Pure Premium (4)/(1) (5)	Indicated Severity (6)
1994	4,152	3,810,288	1.000	3,810,288	918	56,621
1995	3,976	6,093,898	1.000	6,093,898	1,533	65,678
1996	4,508	7,097,119	1.023	7,260,727	1,611	91,880
1997	4,794	8,379,020	1.011	8,469,560	1,767	97,874
1998	5,326	8,354,915	1.028	8,586,894	1,612	92,951
1999	7,053	11,334,991	1.024	11,602,576	1,645	78,746
2000	8,807	15,323,118	1.127	17,261,829	1,960	85,026
2001	8,039	13,625,787	1.308	17,820,420	2,217	88,788
2002	8,715	10,785,420	1.719	18,536,337	2,127	92,480
2003	7,572	5,771,367	2.455	14,165,990	1,871	81,339
Total		90,575,923				

Bornhuetter-Ferguson Method

Report Year	Initial Expected ALAE Pure Premium (7)	Expected Limited Reported Loss (1)*(7)/(3) (8)	Expected Percentage Unreported 1-1/(3) (9)	Indicated Ultimate (1)*(7)*(9) +(2) (10)	Indicated Limited Pure Premium (10)/(1) (11)	Indicated Severity (12)
1994	1,212	5,032,533	0%	3,810,288	918	56,621
1995	1,336	5,313,946	0%	6,093,898	1,533	65,678
1996	1,461	6,437,560	2%	7,245,523	1,607	91,688
1997	1,585	7,519,373	1%	8,460,271	1,765	97,767
1998	1,710	8,861,217	3%	8,600,951	1,615	93,103
1999	1,834	12,639,003	2%	11,633,359	1,649	78,955
2000	1,959	15,313,585	11%	17,260,622	1,960	85,020
2001	2,083	12,804,763	24%	17,567,672	2,185	87,529
2002	2,208	11,193,953	42%	18,829,928	2,161	93,945
2003	2,332	7,194,299	59%	16,235,686	2,144	93,223
Total		92,310,233				

(7) is a linear curve fit to (5) 1993 to 2001

Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Case Basis Reported ALAE Severity With Detrended Average Open Claim

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	13,829	20,543	30,039	39,700	51,785	54,235	58,178	57,123	58,272	56,870
1995	14,572	22,418	36,407	50,986	59,990	62,773	64,860	64,560	66,238	
1996	13,990	23,626	40,710	60,099	77,787	81,513	89,722	90,989		
1997	15,137	30,122	49,761	66,875	81,640	88,391	96,311			
1998	15,023	23,938	44,026	61,701	78,484	83,549				
1999	14,778	25,097	40,244	57,076	68,283					
2000	14,966	26,726	43,439	59,623						
2001	14,962	25,251	43,120							
2002	15,515	29,150								
2003	15,943									

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	1.49	1.46	1.32	1.30	1.05	1.07	0.98	1.02	0.98
1995	1.54	1.62	1.40	1.18	1.05	1.03	1.00	1.03	
1996	1.69	1.72	1.48	1.29	1.05	1.10	1.01		
1997	1.99	1.65	1.34	1.22	1.08	1.09			
1998	1.59	1.84	1.40	1.27	1.06				
1999	1.70	1.60	1.42	1.20					
2000	1.79	1.63	1.37						
2001	1.69	1.71							
2002	1.88								
2003									
Average	1.71	1.65	1.39	1.24	1.06	1.07	1.00	1.02	
Mid 3 of 5	1.72	1.66	1.40	1.23	1.05				
Mid 5 of 7	1.75	1.67	1.39						
Last Year	2.41	1.80	1.55	1.18	1.13	1.11	1.02	0.97	1.05
Selected	1.72	1.66	1.40	1.23	1.05	1.07	1.00	1.02	1.00
Cumulative	5.68	3.30	1.98	1.42	1.15	1.10	1.02	1.02	1.00

Appendix Sum
Claims Made Excluding Tail Coverage
Case Basis Reported ALAE Severity With Detrended Average Open Claim

Loss Development Method

Report Year	Est Ultimate Claim Count	Case Basis Reported Severity	Factor To Ultimate	Indicated Ultimate (2)*(3)	Indicated Ultimate Pure Prem (4)*(1)/Expo (5)
	(1)	(2)	(3)	(4)	(5)
1994	67	56,870	1.000	56,870	922
1995	93	66,238	1.000	66,238	1,546
1996	79	90,989	1.023	93,086	1,632
1997	87	96,311	1.020	98,247	1,773
1998	92	83,549	1.096	91,541	1,588
1999	147	68,283	1.154	78,798	1,646
2000	203	59,623	1.419	84,610	1,950
2001	201	43,120	1.983	85,509	2,135
2002	200	29,150	3.295	96,053	2,209
2003	174	15,943	5.681	90,565	2,083
Total		47,797			

Bornhuetter-Ferguson Method

Report Year	Initial Expected Severity (7)	Expected Paid Severity (8)	Expected Percentage Unreported 1-1/(3) (9)	Indicated Ultimate (1)*(7)*(9) + (2) (10)	Indicated Ultimate Pure Premium (10)*(1)/Expo (11)
1994	71,563	71,563	0%	56,870	922
1995	74,532	74,532	0%	66,238	1,546
1996	77,501	75,755	2%	92,735	1,626
1997	80,470	78,884	2%	97,897	1,767
1998	83,439	76,154	9%	90,834	1,575
1999	86,408	74,878	13%	79,814	1,667
2000	89,377	62,982	30%	86,018	1,983
2001	92,347	46,568	50%	88,898	2,219
2002	95,316	28,926	70%	95,540	2,197
2003	98,285	17,302	82%	96,926	2,229
Total		48,726			

(7) is a linear curve fit to (4) 1993 to 2001

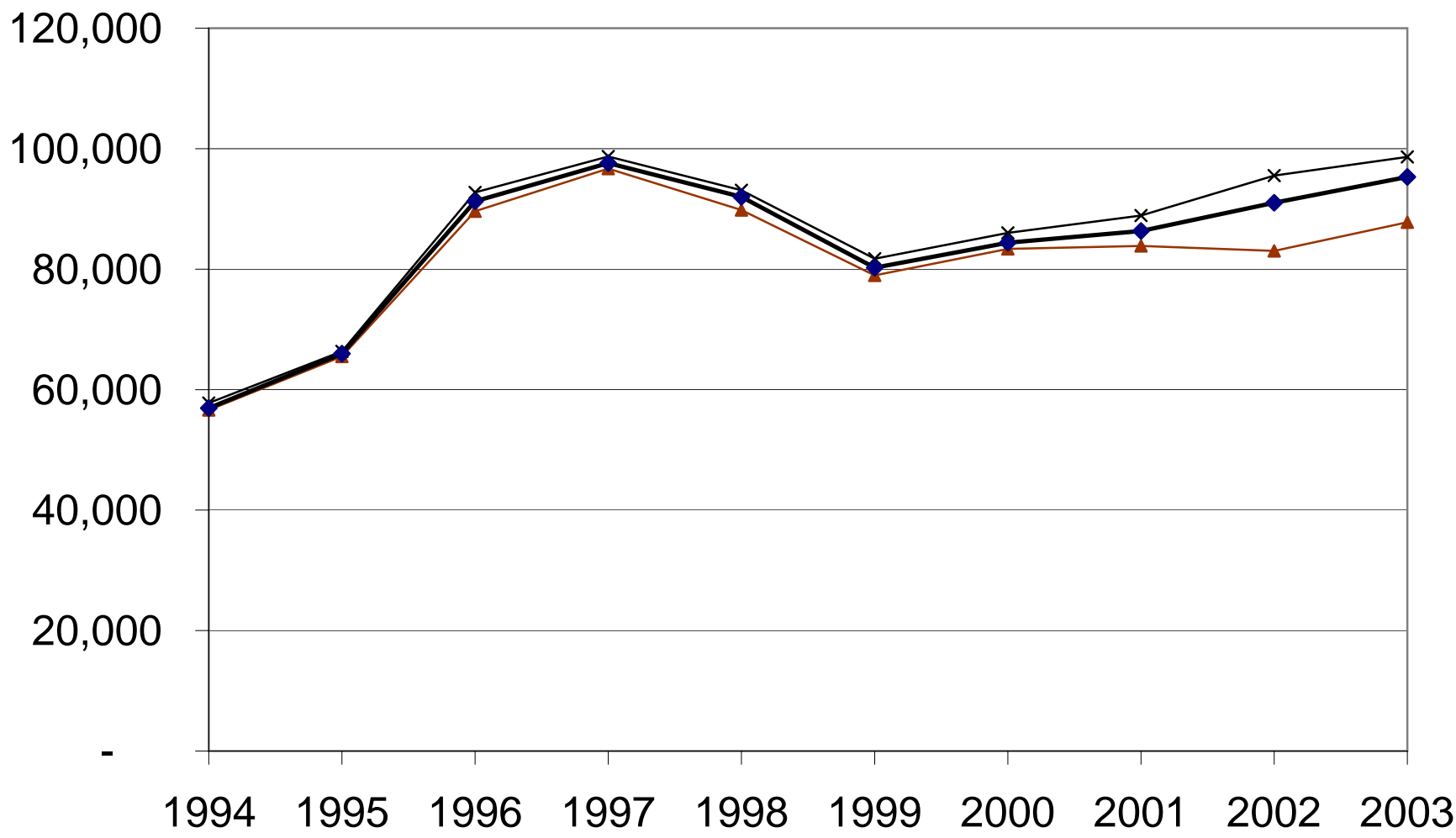
Appendix Sum
Claims Made Excluding Tail Coverage
Summary of Indications

Indicated ALAE Severity

Report Year	Using Paid & Reported Losses				Using Claim Frequency & Severity					Selected Ultimate ALAE Severity
	Paid Bornhuetter-Ferguson Method	Reported Loss Development Method	Reported Bornhuetter-Ferguson Method	Reported Detrend Avg Open B-F	Reported Bornhuetter-Ferguson Method	Reported ALAE Ratio Development Method	Reported ALAE Ratio B-F Method	Reported Detrend Avg Open B-F	Last Year	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1994	57,770	56,621	56,621	56,621	56,870	57,273	57,273	56,870	71,151	56,921
1995	65,498	65,678	65,678	65,678	66,238	66,341	66,341	66,238	71,115	65,975
1996	91,734	89,612	89,627	91,688	90,819	91,712	91,995	92,735	120,904	91,263
1997	97,662	96,692	96,706	97,767	96,930	98,643	98,692	97,897	142,610	97,601
1998	92,658	91,809	91,887	93,103	89,820	92,672	92,226	90,834	112,483	92,014
1999	79,174	79,888	80,118	78,955	81,108	81,737	81,295	79,814	93,247	80,233
2000	84,808	83,401	83,371	85,020	84,914	83,982	84,182	86,018	103,185	84,385
2001	85,282	86,773	85,595	87,529	87,040	83,850	85,759	88,898	107,965	86,330
2002	93,797	88,172	90,195	93,945	93,447	83,021	86,540	95,540	110,306	91,016
2003	98,640	87,774	94,396	93,223	97,121	94,885	95,314	96,926		95,311
Trend Rate	3.9%	3.2%	3.7%	3.8%	4.0%	3.1%	3.4%	4.1%	3.2%	3.7%

Selected ultimate equals selected Total Limits pure premium divided by selected frequency.

ALAE Severity



—▲— Minimum —×— Maximum —◆— Selected

AAA

**Appendix Sum
Claims Made Excluding Tail Coverage
Summary of Indications**

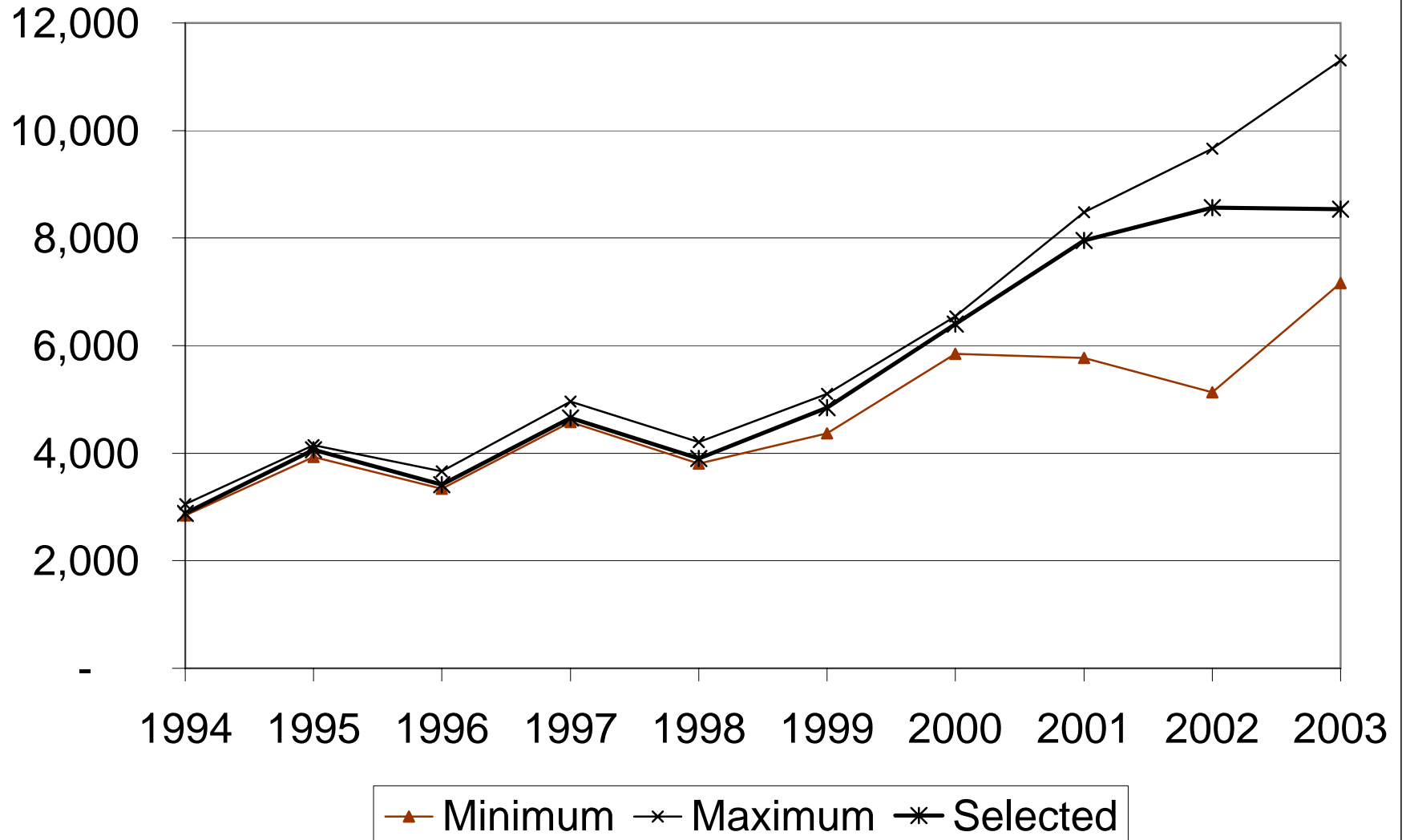
Indicated Total Limits Pure Premium

Report Year	Using Paid & Reported Losses				Using Clam Frequency & Severity				Last Year	Selected Ultimate Pure Premium
	Paid Bornhuetter- Ferguson Method	Reported Loss Development Method	Reported Bornhuetter- Ferguson Method	Reported Detrend Avg Open B-F	Paid Bornhuetter- Ferguson Method	Reported Loss Development Method	Reported Bornhuetter- Ferguson Method	Reported Detrend Avg Open B-F		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1994	3,051	2,903	2,891	2,846	2,902	2,858	2,858	2,858	2,553	2,878
1995	4,146	4,099	4,079	4,019	3,934	4,053	4,053	4,053	3,845	4,059
1996	3,664	3,403	3,418	3,433	3,335	3,380	3,382	3,466	2,886	3,413
1997	4,964	4,661	4,659	4,708	4,638	4,587	4,577	4,702	4,034	4,659
1998	4,204	3,945	3,953	3,961	3,803	3,809	3,836	3,903	3,135	3,901
1999	5,100	4,913	4,909	4,725	4,369	4,813	4,904	4,797	4,978	4,844
2000	6,465	6,547	6,547	6,272	5,851	6,419	6,531	6,191	6,738	6,404
2001	6,692	8,475	8,462	7,320	5,767	7,977	8,062	6,888	6,429	7,955
2002	6,813	9,530	9,238	6,453	5,128	9,665	8,756	6,727	6,756	8,563
2003	9,196	8,933	9,160	7,186	11,305	9,645	8,875	7,166		8,539
Trend Rate	11.1%	14.1%	14.2%	10.5%	11.3%	14.7%	13.7%	10.4%	10.5%	13.2%

Selected ultimate for 1994 to 2000 is the average of all excluding high & low values.

Selected ultimate for 2001 to 2003 is the average of (2), (3), (4), (6), (7) & (8) excluding high & low values.

Total Limits Pure Premium



Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Paid Losses

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	343,450	5,520,628	6,974,150	7,710,258	9,300,258	11,450,258	11,525,258	11,540,258	11,640,258	11,640,258
1995	551,786	3,388,501	8,569,368	12,354,919	13,742,419	14,572,419	15,022,419	15,174,172	15,174,172	
1996	818,782	4,071,326	9,352,580	11,385,413	12,759,762	14,554,762	14,594,762	14,594,762		
1997	84,500	9,157,332	14,256,332	16,579,640	19,236,140	21,216,140	21,266,140			
1998	238,917	6,095,191	10,526,441	14,872,097	18,140,611	18,845,097				
1999	1,252,200	9,401,922	17,582,127	23,668,982	27,098,155					
2000	999,000	9,397,514	29,486,763	38,448,467						
2001	1,934,823	9,027,325	25,374,517							
2002	260,500	4,267,658								
2003	1,098,500									

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	16.07	1.26	1.11	1.21	1.23	1.01	1.00	1.01	1.00
1995	6.14	2.53	1.44	1.11	1.06	1.03	1.01	1.00	
1996	4.97	2.30	1.22	1.12	1.14	1.00	1.00		
1997	108.37	1.56	1.16	1.16	1.10	1.00			
1998	25.51	1.73	1.41	1.22	1.04				
1999	7.51	1.87	1.35	1.14					
2000	9.41	3.14	1.30						
2001	4.67	2.81							
2002	16.38								
2003									
Average	22.11	2.15	1.28	1.16	1.11	1.01	1.00	1.00	
Mid 3 of 5	11.10	2.14	1.29	1.14	1.10				
Mid 5 of 7	12.76	2.25	1.29						
Last Year	22.34	2.20	1.42	1.14	1.11	1.02	1.00	1.01	1.15
Selected	12.76	2.14	1.29	1.14	1.10	1.01	1.00	1.00	1.12
Cumulative	50.41	3.95	1.85	1.44	1.26	1.14	1.13	1.12	1.12

**Appendix Sum
Claims Made Excluding Tail Coverage
Paid Losses**

Loss Development Method

Report Year	Exposure (1)	Paid Losses (2)	Factor To Ultimate (3)	Indicated Ultimate (2)*(3) (4)	Indicated Pure (4)/(1) (5)	Indicated Severity (6)
1994	4,152	11,640,258	1.120	13,037,089	3,140	193,733
1995	3,976	15,174,172	1.120	16,995,072	4,274	183,167
1996	4,508	14,594,762	1.125	16,416,956	3,642	207,747
1997	4,794	21,266,140	1.129	24,012,199	5,009	277,485
1998	5,326	18,845,097	1.141	21,504,803	4,037	232,784
1999	7,053	27,098,155	1.257	34,056,203	4,829	231,138
2000	8,807	38,448,467	1.435	55,179,610	6,265	271,797
2001	8,039	25,374,517	1.850	46,946,531	5,840	233,905
2002	8,715	4,267,658	3.952	16,865,190		
2003	7,572	1,098,500	50.412	55,377,062		
Total		177,807,725				

Bornhuetter-Ferguson Method

Report Year	Initial Expected Pure Premium (7)	Expected Paid Losses (1)*(7)/(3) (8)	Expected Percentage Unpaid 1-1/(3) (9)	Indicated Ultimate (1)*(7)*(9) +(2) (10)	Indicated Pure Premium (10)/(1) (11)	Indicated Severity (12)
1994	2,308	8,554,530	11%	12,666,802	3,051	188,230
1995	3,077	10,924,126	11%	16,485,067	4,146	177,670
1996	3,847	15,416,900	11%	16,519,602	3,664	209,046
1997	4,616	19,601,319	11%	23,797,223	4,964	275,001
1998	5,386	25,140,712	12%	22,393,336	4,204	242,402
1999	6,156	34,547,103	20%	35,968,885	5,100	244,119
2000	6,925	42,500,580	30%	56,942,918	6,465	280,482
2001	7,695	33,436,070	46%	53,800,019	6,692	268,052
2002	8,465	18,666,507	75%	59,368,585	6,813	296,197
2003	9,234	1,387,074	98%	69,635,911	9,196	399,841
Total		210,174,922				

(7) is the same as reported values column (7)

Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Case Basis Reported Losses

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	5,491,397	9,736,462	9,801,765	10,688,965	10,540,258	11,658,258	11,715,258	11,815,263	11,815,263	11,815,263
1995	6,738,482	12,083,900	14,865,609	15,815,671	15,765,671	16,063,747	15,527,919	15,527,919	15,978,190	
1996	4,818,574	11,911,395	17,972,671	15,997,335	16,789,762	15,732,668	15,171,959	14,824,762		
1997	4,117,044	18,047,419	22,533,332	24,067,132	23,006,191	22,391,164	21,696,155			
1998	4,010,965	14,177,731	21,739,452	22,129,147	21,240,139	20,903,629				
1999	10,067,595	27,711,308	32,153,439	32,395,061	34,739,726					
2000	16,287,068	42,678,747	56,109,567	57,690,144						
2001	17,643,438	44,613,237	66,973,191							
2002	18,918,449	60,256,399								
2003	16,782,661									

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	1.77	1.01	1.09	0.99	1.11	1.00	1.01	1.00	1.00
1995	1.79	1.23	1.06	1.00	1.02	0.97	1.00	1.03	
1996	2.47	1.51	0.89	1.05	0.94	0.96	0.98		
1997	4.38	1.25	1.07	0.96	0.97	0.97			
1998	3.53	1.53	1.02	0.96	0.98				
1999	2.75	1.16	1.01	1.07					
2000	2.62	1.31	1.03						
2001	2.53	1.50							
2002	3.19								
2003									
Average	2.78	1.31	1.02	1.00	1.00	0.98	1.00	1.01	
Mid 3 of 5	2.85	1.35	1.02	1.00	0.99				
Mid 5 of 7	2.92	1.36	1.04						
Last Year	2.86	1.37	1.01	0.98	0.99	0.99	1.01	1.02	1.05
Selected	2.92	1.35	1.02	1.00	0.99	0.98	1.00	1.01	1.02
Cumulative	4.03	1.38	1.02	1.00	1.00	1.01	1.03	1.03	1.02

Appendix Sum
Claims Made Excluding Tail Coverage
Case Basis Reported Losses

Loss Development Method

Report Year	Exposure (1)	Case Basis Reported Losses (2)	Factor To Ultimate (3)	Indicated Ultimate (2)*(3) (4)	Indicated Pure Premium (4)/(1) (5)	Indicated Severity (6)
1994	4,152	11,815,263	1.020	12,051,568	2,903	179,088
1995	3,976	15,978,190	1.020	16,297,753	4,099	175,651
1996	4,508	14,824,762	1.035	15,340,497	3,403	194,125
1997	4,794	21,696,155	1.030	22,343,562	4,661	258,203
1998	5,326	20,903,629	1.005	21,015,325	3,945	227,486
1999	7,053	34,739,726	0.997	34,649,798	4,913	235,167
2000	8,807	57,690,144	0.999	57,659,720	6,547	284,013
2001	8,039	66,973,191	1.017	68,134,048	8,475	339,469
2002	8,715	60,256,399	1.378	83,051,468	9,530	414,353
2003	7,572	16,782,661	4.031	67,642,876	8,933	388,397
Total		321,660,120				

Bornhuetter-Ferguson Method

Report Year	Initial Expected Pure Premium (7)	Expected Reported Losses (1)*(7)/(3) (8)	Expected Percentage Unreported 1-1/(3) (9)	Indicated Ultimate (1)*(7)*(9) +(2) (10)	Indicated Pure Premium (10)/(1) (11)	Indicated Severity (12)
1994	2,308	9,393,209	2%	12,003,127	2,891	178,368
1995	3,077	11,995,119	2%	16,218,092	4,079	174,793
1996	3,847	16,758,725	3%	15,407,777	3,418	194,976
1997	4,616	21,491,114	3%	22,337,444	4,659	258,132
1998	5,386	28,536,470	1%	21,056,110	3,953	227,927
1999	6,156	43,530,518	0%	34,627,041	4,909	235,012
2000	6,925	61,027,215	0%	57,657,960	6,547	284,004
2001	7,695	60,807,586	2%	68,027,178	8,462	338,937
2002	8,465	53,520,546	27%	80,503,286	9,238	401,640
2003	9,234	17,348,744	75%	69,358,401	9,160	398,247
Total		324,409,246				

(7) is a linear curve fit to (5) 1993 to 2001

Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Average Paid Loss per Closed Claim (excluding closed without pay)

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	57,242	153,351	151,612	140,187	155,004	187,709	182,941	180,317	179,081	179,081
1995	61,310	91,581	145,244	162,565	167,590	167,499	168,791	170,496	168,602	
1996	102,348	156,589	190,869	180,721	184,924	194,063	192,036	192,036		
1997	16,900	416,242	290,946	271,797	263,509	261,928	259,343			
1998	59,729	196,619	210,529	218,707	223,958	224,346				
1999	313,050	218,649	214,416	205,817	210,063					
2000	166,500	204,294	256,407	248,055						
2001	138,202	167,173	234,949							
2002	65,125	170,706								
2003	274,625									
5 Yr Trend	-11%	-5%	-2%	4%	7%	8%				

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	2.68	0.99	0.92	1.11	1.21	0.97	0.99	0.99	1.00
1995	1.49	1.59	1.12	1.03	1.00	1.01	1.01	0.99	
1996	1.53	1.22	0.95	1.02	1.05	0.99	1.00		
1997	24.63	0.70	0.93	0.97	0.99	0.99			
1998	3.29	1.07	1.04	1.02	1.00				
1999	0.70	0.98	0.96	1.02					
2000	1.23	1.26	0.97						
2001	1.21	1.41							
2002	2.62								
2003									
Average	4.38	1.15	0.98	1.03	1.05	0.99	1.00	0.99	
Mid 3 of 5	1.69	1.10	0.96	1.02	1.02				
Mid 5 of 7	1.98	1.19	0.97						
Last Year	4.58	1.12	1.05	1.06	0.99	0.99	0.99	0.99	1.00
Selected	1.98	1.19	0.97	1.02	1.02	0.99	1.00	0.99	1.00
Cumulative	2.32	1.17	0.99	1.02	1.00	0.98	0.99	0.99	1.00

Appendix Sum
Claims Made Excluding Tail Coverage
Average Paid Loss per Closed Claim (excluding closed without pay)

Loss Development Method

Report Year	Est Ultimate Claim Count	Paid Severity	Factor To Ultimate	Indicated Ultimate (2)*(3)	Indicated Ultimate Pure Prem (4)*(1)/Expo (5)
	(1)	(2)	(3)	(4)	(5)
1994	67	179,081	1.000	179,081	2,902
1995	93	168,602	1.000	168,602	3,934
1996	79	192,036	0.991	190,312	3,336
1997	87	259,343	0.990	256,650	4,633
1998	92	224,346	0.980	219,908	3,814
1999	147	210,063	0.997	209,381	4,374
2000	203	248,055	1.019	252,845	5,828
2001	201	234,949	0.988	232,167	5,796
2002	200	170,706	1.172	200,088	4,989
2003	174	274,625	2.316		
Total		217,369			

Bornhuetter-Ferguson Method

Report Year	Initial Expected Severity (7)	Expected Paid Severity (7)/(3) (8)	Expected Percentage Unpaid 1-1/(3) (9)	Indicated Ultimate (1)*(7)*(9) + (2) (10)	Indicated Pure Premium (10)*(1)/Expo (11)
1994	147,650	147,650	0%	179,081	2,902
1995	173,658	173,658	0%	168,602	3,934
1996	199,667	201,476	-1%	190,227	3,335
1997	225,675	228,043	-1%	256,975	4,638
1998	251,683	256,763	-2%	219,266	3,803
1999	277,692	278,597	0%	209,158	4,369
2000	303,700	297,947	2%	253,808	5,851
2001	329,708	333,660	-1%	230,998	5,767
2002	355,717	303,482	15%	222,940	5,128
2003	381,725	164,819	57%	491,530	11,305
Total		253,311			

(7) is the same as reported values column (7)

Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Average Case Basis Reported Loss per Reported Claim (excluding closed without pay)

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	27,320	69,053	85,980	114,935	135,132	161,920	172,283	176,347	176,347	176,347
1995	30,910	68,271	104,687	142,484	154,565	169,092	168,782	168,782	173,676	
1996	24,460	72,630	137,196	153,821	186,553	185,090	192,050	190,061		
1997	18,973	112,796	181,720	231,415	237,177	243,382	249,381			
1998	17,906	70,889	142,088	181,386	204,232	209,036				
1999	28,440	99,681	151,667	178,978	209,275					
2000	34,507	112,018	188,287	224,475						
2001	38,272	114,983	211,940							
2002	42,705	162,855								
2003	46,361									
5 Yr Trend	13%	20%	6%	5%	7%	9%				

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	2.53	1.25	1.34	1.18	1.20	1.06	1.02	1.00	1.00
1995	2.21	1.53	1.36	1.08	1.09	1.00	1.00	1.03	
1996	2.97	1.89	1.12	1.21	0.99	1.04	0.99		
1997	5.95	1.61	1.27	1.02	1.03	1.02			
1998	3.96	2.00	1.28	1.13	1.02				
1999	3.51	1.52	1.18	1.17					
2000	3.25	1.68	1.19						
2001	3.00	1.84							
2002	3.81								
2003									
Average	3.46	1.67	1.25	1.13	1.07	1.03	1.00	1.01	
Mid 3 of 5	3.52	1.71	1.22	1.13	1.05				
Mid 5 of 7	3.51	1.71	1.25						
Last Year	3.48	1.80	1.26	1.15	1.06	1.07	1.03	1.02	1.05
Selected	3.51	1.71	1.22	1.13	1.05	1.03	1.00	1.01	1.00
Cumulative	9.05	2.58	1.51	1.24	1.10	1.05	1.02	1.01	1.00

Appendix Sum
Claims Made Excluding Tail Coverage
Average Case Basis Reported Loss per Reported Claim (excluding closed without pay)

<u>Loss Development Method</u>					
Report Year	Est Ultimate Claim Count	Case Basis Reported Severity	Factor To Ultimate	Indicated Ultimate (2)*(3)	Indicated Ultimate Pure Prem (4)*(1)/Expo (5)
	(1)	(2)	(3)	(4)	(5)
1994	67	176,347	1.000	176,347	2,858
1995	93	173,676	1.000	173,676	4,053
1996	79	190,061	1.014	192,817	3,380
1997	87	249,381	1.019	254,113	4,587
1998	92	209,036	1.051	219,628	3,809
1999	147	209,275	1.101	230,409	4,813
2000	203	224,475	1.240	278,450	6,419
2001	201	211,940	1.507	319,490	7,977
2002	200	162,855	2.580	420,220	9,665
2003	174	46,361	9.046	419,364	9,645
Total		169,741			

<u>Bornhuetter-Ferguson Method</u>					
Report Year	Initial Expected Severity (7)	Expected Reported Severity (1)*(7)/(3) (8)	Expected Percentage Unreported 1-1/(3) (9)	Indicated Ultimate (1)*(7)*(9) +(2) (10)	Indicated ALAE Pure Premium (10)/(1) (11)
1994	147,650	147,650	0%	176,347	2,858
1995	173,658	173,658	0%	173,676	4,053
1996	199,667	196,813	1%	192,915	3,382
1997	225,675	221,473	2%	253,583	4,577
1998	251,683	239,546	5%	221,173	3,836
1999	277,692	252,221	9%	234,746	4,904
2000	303,700	244,830	19%	283,345	6,531
2001	329,708	218,719	34%	322,930	8,062
2002	355,717	137,857	61%	380,715	8,756
2003	381,725	42,200	89%	385,886	8,875
Total		171,310			

(7) is a linear curve fit to (4) 1993 to 2001

Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Case Basis Reported Losses With Detrended Average Open Claim

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	3,966,536	13,469,938	13,952,878	11,756,671	11,608,546	12,416,887	11,848,335	11,825,382	12,371,184	11,815,263
1995	4,823,312	15,047,489	17,939,337	16,454,574	16,563,660	15,345,721	15,235,649	15,487,808	15,978,190	
1996	5,067,826	16,712,999	19,535,365	16,668,112	16,018,296	15,618,053	14,829,316	14,824,762		
1997	5,327,236	23,063,173	24,501,208	22,674,070	23,332,582	22,502,722	21,696,155			
1998	6,223,550	24,827,770	26,003,033	23,290,915	22,458,944	20,903,629				
1999	11,725,307	38,055,009	39,069,046	34,987,616	34,739,726					
2000	16,337,614	54,327,992	62,758,430	57,690,144						
2001	18,119,365	58,303,318	66,973,191							
2002	17,744,874	60,256,399								
2003	16,782,661									

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	3.40	1.04	0.84	0.99	1.07	0.95	1.00	1.05	0.96
1995	3.12	1.19	0.92	1.01	0.93	0.99	1.02	1.03	
1996	3.30	1.17	0.85	0.96	0.98	0.95	1.00		
1997	4.33	1.06	0.93	1.03	0.96	0.96			
1998	3.99	1.05	0.90	0.96	0.93				
1999	3.25	1.03	0.90	0.99					
2000	3.33	1.16	0.92						
2001	3.22	1.15							
2002	3.40								
2003									
Average	3.48	1.10	0.89	0.99	0.97	0.97	1.00	1.04	
Mid 3 of 5	3.32	1.09	0.90	0.99	0.96				
Mid 5 of 7	3.45	1.12	0.90						
Last Year	3.04	1.34	0.91	1.02	1.00	1.02	0.96	0.99	1.05
Selected	3.32	1.09	0.90	0.99	0.96	0.97	1.00	1.04	1.00
Cumulative	3.11	0.94	0.86	0.95	0.96	1.01	1.04	1.04	1.00

Appendix Sum
Claims Made Excluding Tail Coverage
Case Basis Reported Losses With Detrended Average Open Claim

Loss Development Method

Report Year	Exposure (1)	Case Basis Limited Reported Loss (2)	Factor To Ultimate (3)	Indicated Ultimate (2)*(3) (4)	Indicated Limited Pure Premium (4)/(1) (5)	Indicated Severity (6)
1994	4,152	11,815,263	1.000	11,815,263	2,846	175,576
1995	3,976	15,978,190	1.000	15,978,190	4,019	172,207
1996	4,508	14,824,762	1.039	15,401,575	3,416	194,898
1997	4,794	21,696,155	1.044	22,647,815	4,724	261,718
1998	5,326	20,903,629	1.008	21,060,593	3,954	227,976
1999	7,053	34,739,726	0.964	33,486,172	4,748	227,269
2000	8,807	57,690,144	0.954	55,064,233	6,252	271,228
2001	8,039	66,973,191	0.862	57,755,452	7,184	287,759
2002	8,715	60,256,399	0.937	56,438,722	6,476	281,579
2003	7,572	16,782,661	3.112	52,222,770	6,897	299,857
Total		321,660,120				

Bornhuetter-Ferguson Method

Report Year	Initial Expected Pure Premium (7)	Expected Limited Reported Loss (1)*(7)/(3) (8)	Expected Percentage Unreported 1-1/(3) (9)	Indicated Ultimate (1)*(7)*(9) +(2) (10)	Indicated Limited Pure Premium (10)/(1) (11)	Indicated Severity (12)
1994	2,866	11,898,135	0%	11,815,263	2,846	175,576
1995	3,361	13,362,775	0%	15,978,190	4,019	172,207
1996	3,856	16,732,310	4%	15,475,796	3,433	195,837
1997	4,351	19,984,501	4%	22,572,736	4,708	260,851
1998	4,847	25,622,487	1%	21,096,026	3,961	228,359
1999	5,342	39,087,042	-4%	33,329,303	4,725	226,205
2000	5,837	53,860,710	-5%	55,238,539	6,272	272,087
2001	6,332	59,030,432	-16%	58,848,640	7,320	293,206
2002	6,828	63,524,446	-7%	56,231,668	6,453	280,546
2003	7,323	17,819,597	68%	54,412,478	7,186	312,430
Total		320,922,435				

(7) is a linear curve fit to (5) 1993 to 2001

Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Case Basis Reported Severity With Detrended Average Open Claim

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	19,734	95,531	122,394	126,416	148,828	172,457	174,240	176,498	184,645	176,347
1995	22,125	85,014	126,333	148,239	162,389	161,534	165,605	168,346	173,676	
1996	25,725	101,909	149,125	160,270	177,981	183,742	187,713	190,061		
1997	24,549	144,145	197,590	218,020	240,542	244,595	249,381			
1998	27,784	124,139	169,954	190,909	215,951	209,036				
1999	33,122	136,889	184,288	193,302	209,275					
2000	34,614	142,593	210,599	224,475						
2001	39,304	150,266	211,940							
2002	40,056	162,855								
2003	46,361									

Loss Development Factors

Report Yr	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
1994	4.84	1.28	1.03	1.18	1.16	1.01	1.01	1.05	0.96
1995	3.84	1.49	1.17	1.10	0.99	1.03	1.02	1.03	
1996	3.96	1.46	1.07	1.11	1.03	1.02	1.01		
1997	5.87	1.37	1.10	1.10	1.02	1.02			
1998	4.47	1.37	1.12	1.13	0.97				
1999	4.13	1.35	1.05	1.08					
2000	4.12	1.48	1.07						
2001	3.82	1.41							
2002	4.07								
2003									
Average	4.35	1.40	1.09	1.12	1.03	1.02	1.01	1.04	
Mid 3 of 5	4.11	1.38	1.08	1.10	1.01				
Mid 5 of 7	4.15	1.42	1.08						
Last Year	3.71	1.76	1.18	1.17	1.07	1.09	0.98	0.99	1.05
Selected	4.11	1.38	1.08	1.10	1.01	1.02	1.01	1.04	1.00
Cumulative	7.38	1.80	1.30	1.20	1.09	1.07	1.05	1.04	1.00

Appendix Sum
Claims Made Excluding Tail Coverage
Case Basis Reported Severity With Detrended Average Open Claim

Loss Development Method

Report Year	Est Ultimate Claim Count (1)	Case Basis Reported Severity (2)	Factor To Ultimate (3)	Indicated Ultimate (2)*(3) (4)	Indicated Ultimate Pure Prem (4)*(1)/Expo (5)
1994	67	176,347	1.000	176,347	2,858
1995	93	173,676	1.000	173,676	4,053
1996	79	190,061	1.039	197,456	3,461
1997	87	249,381	1.053	262,713	4,742
1998	92	209,036	1.074	224,435	3,893
1999	147	209,275	1.089	227,984	4,763
2000	203	224,475	1.202	269,751	6,218
2001	201	211,940	1.299	275,405	6,876
2002	200	162,855	1.798	292,762	6,734
2003	174	46,361	7.381	342,205	7,871
Total		169,741			

Bornhuetter-Ferguson Method

Report Year	Initial Expected Severity (7)	Expected Paid Severity (7)/(3) (8)	Expected Percentage Unreported 1-1/(3) (9)	Indicated Ultimate (1)*(7)*(9) +(2) (10)	Indicated Ultimate Pure Premium (10)*(1)/Expo (11)
1994	174,678	174,678	0%	176,347	2,858
1995	189,357	189,357	0%	173,676	4,053
1996	204,035	196,394	4%	197,702	3,466
1997	218,714	207,615	5%	260,480	4,702
1998	233,392	217,379	7%	225,050	3,903
1999	248,071	227,714	8%	229,632	4,797
2000	262,749	218,648	17%	268,576	6,191
2001	277,428	213,497	23%	275,871	6,888
2002	292,106	162,490	44%	292,471	6,727
2003	306,785	41,562	86%	311,583	7,166
Total		169,324			

(7) is a linear curve fit to (4) 1993 to 2001

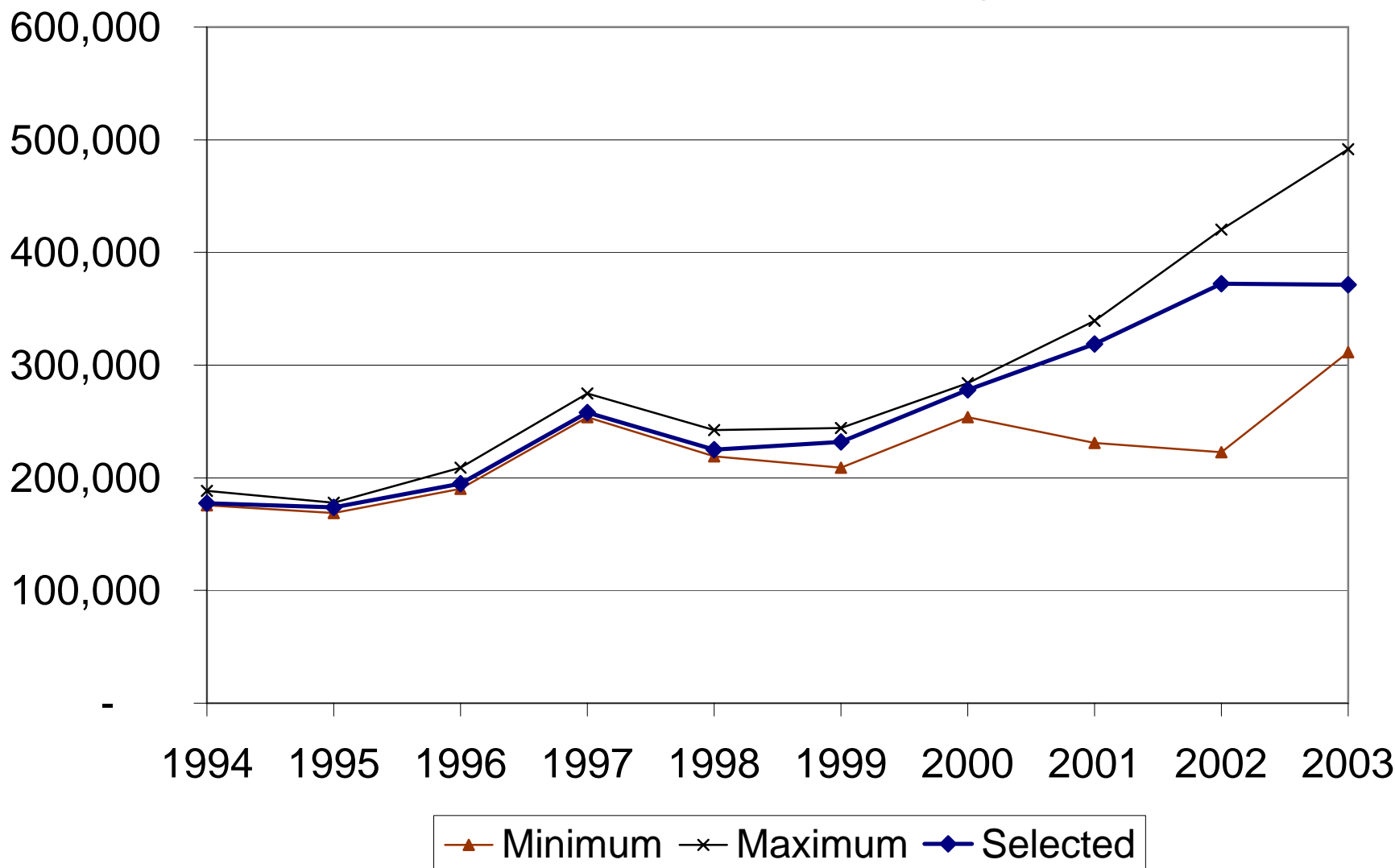
**Appendix Sum
Claims Made Excluding Tail Coverage
Summary of Indications**

Indicated Total Limits Claim Severity

Report Year	Using Paid & Reported Losses				Using Claim Frequency & Severity				Last Year	Selected Ultimate Severity
	Paid Bornhuetter- Ferguson Method	Reported Loss Development Method	Reported Bornhuetter- Ferguson Method	Reported Detrend Avg Open B-F	Paid Bornhuetter- Ferguson Method	Reported Loss Development Method	Reported Bornhuetter- Ferguson Method	Reported Detrend Avg Open B-F		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1994	188,230	179,088	178,368	175,576	179,081	176,347	176,347	176,347	178,674	177,596
1995	177,670	175,651	174,793	172,207	168,602	173,676	173,676	173,676	182,531	173,947
1996	209,046	194,125	194,976	195,837	190,227	192,817	192,915	197,702	201,860	194,729
1997	275,001	258,203	258,132	260,851	256,975	254,113	253,583	260,480	292,953	258,126
1998	242,402	227,486	227,927	228,359	219,266	219,628	221,173	225,050	195,157	224,937
1999	244,119	235,167	235,012	226,205	209,158	230,409	234,746	229,632	244,118	231,862
2000	280,482	284,013	284,004	272,087	253,808	278,450	283,345	268,576	305,793	277,824
2001	268,052	339,469	338,937	293,206	230,998	319,490	322,930	275,871	313,195	318,640
2002	296,197	414,353	401,640	280,546	222,940	420,220	380,715	292,471	321,706	372,295
2003	399,841	388,397	398,247	312,430	491,530	419,364	385,886	311,583		371,240
Trend Rate	7.3%	10.2%	10.3%	6.7%	7.5%	10.7%	9.9%	6.6%	7.8%	9.3%

Selected ultimate equals selected Total Limits pure premium divided by selected frequency.

Total Limits Severity



Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Percent of Case Basis Reported Losses That Are Paid

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	6%	57%	71%	72%	88%	98%	98%	98%	99%	99%
1995	8%	28%	58%	78%	87%	91%	97%	98%	95%	
1996	17%	34%	52%	71%	76%	93%	96%	98%		
1997	2%	51%	63%	69%	84%	95%	98%			
1998	6%	43%	48%	67%	85%	90%				
1999	12%	34%	55%	73%	78%					
2000	6%	22%	53%	67%						
2001	11%	20%	38%							
2002	1%	7%								
2003	7%									
5 Yr Trend	-24%	-34%	-9%	-1%	-1%	-1%				

Percent of Case Basis Reported Losses That Are Paid (Losses Limited to \$200,000)

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	6%	49%	64%	71%	88%	97%	97%	96%	97%	97%
1995	8%	25%	53%	76%	87%	88%	96%	97%	97%	
1996	10%	30%	47%	70%	75%	87%	94%	97%		
1997	3%	32%	56%	62%	78%	91%	96%			
1998	6%	37%	47%	62%	81%	86%				
1999	7%	26%	49%	66%	77%					
2000	5%	20%	48%	66%						
2001	10%	18%	36%							
2002	2%	9%								
2003	2%									
5 Yr Trend	-27%	-28%	-8%	-1%	-2%	-2%				

Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Average Case Basis Reserve

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	26,400	40,151	41,583	78,387	68,889	18,909	38,000	91,668	87,503	87,503
1995	29,601	62,110	75,858	98,879	101,163	186,416	168,500	117,916	402,009	
1996	21,163	56,812	105,123	112,486	191,905	117,791	192,399	115,000		
1997	19,021	64,421	110,360	174,128	157,085	106,820	86,003			
1998	17,146	47,826	108,864	134,390	134,762	128,658				
1999	25,187	77,912	112,087	132,213	206,529					
2000	32,807	99,347	145,480	188,644						
2001	35,142	106,545	199,994							
2002	42,501	162,286								
2003	43,811									
5 Yr Trend	15%	32%	16%	8%	11%	39%				

Average Case Basis ALAE Reserve

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	10,735	15,031	15,275	15,450	14,012	12,488	11,587	12,663	13,391	10,939
1995	17,496	23,298	18,116	22,786	22,675	48,877	92,374	82,716	60,361	
1996	18,307	16,274	13,360	17,903	17,523	21,742	32,738	19,831		
1997	18,618	19,144	20,940	20,690	25,446	16,352	39,798			
1998	14,964	14,171	15,301	14,925	13,201	23,751				
1999	14,608	17,023	19,256	23,383	28,022					
2000	9,647	13,922	15,272	17,229						
2001	9,480	12,399	15,301							
2002	9,279	13,842								
2003	12,764									
5 Yr Trend	-3%	-4%	-6%	0%	1%	2%				

Appendix Sum
Missouri Physicians & Surgeons Medical Malpractice Insurance
Claims Made Excluding Tail Coverage
Direct as to Reinsurance
Average Case Basis Reserve (Losses Limited to \$200,000)

Report Yr	12	24	36	48	60	72	84	96	108	120
1994	24,861	37,389	40,112	56,019	43,889	18,909	38,000	91,668	87,503	87,503
1995	25,176	47,665	58,060	75,013	66,413	155,166	135,167	84,582	127,005	
1996	19,311	36,522	69,599	66,876	110,000	112,791	175,732	115,000		
1997	15,012	40,761	60,827	103,197	105,002	88,639	86,002			
1998	16,691	36,731	65,175	91,334	101,065	103,032				
1999	20,473	62,773	84,902	112,516	129,501					
2000	23,165	69,451	93,042	107,516						
2001	30,646	74,269	114,392							
2002	32,034	92,561								
2003	34,160									
5 yr Trend	14%	22%	18%	11%	13%	33%				

Missouri Department of Insurance
Medical Malpractice Insurance Data Reporting Instructions
February 2004

1. Overview. The data consists of detailed experience for Missouri Physicians and Surgeons Medical Malpractice Insurance. Use the following guiding principles when compiling the experience:
 - The total of all premium, loss and defense and cost containment expense experience should be consistent with the company's Missouri contribution to its Annual Statement Schedule P, direct as to reinsurance. (Claim counts may not reconcile to Schedule P.)
 - Physicians and surgeons claim counts, losses and defense & cost containment expenses are reported in a loss development triangle summary. Losses are reported both limited to \$200,000 per defendant and unlimited. If an insurer wishes to, they may report individual claims information under the alternative format option and avoid loss development summarizations.
2. Physician & Surgeon type of coverage. Please provide experience relating to Missouri Physicians & Surgeons Malpractice Insurance, direct as to reinsurance, occurrence and claims made separately.
 - For Physicians & Surgeons, do not include experience for dentists, chiropractors, podiatrists, nurses, nurse midwives, CRNA's, physician assistants, optometrists, psychologists or other ancillary specialties.
 - For physicians & surgeons, do not include experience for corporations. Note that in some special cases corporate coverage is inextricable from the physicians and surgeon coverage. Please see the attached special instructions.
 - For physicians & surgeons, do not include experience applicable to doctors employed by a hospital, HMO, university or similar institution.
 - For physicians & surgeons, do not include premiums, claim counts, losses or expenses for the extended reporting endorsement (tail coverage) nor for Death, Disability & Retirement (DD&R) coverage.
 - For physicians & surgeons, do not include bad faith claims or other extra-contractual claims.
3. Experience Period. Report experience in the year in which premiums were earned and losses were incurred/reported in the same manner as the annual statement, Schedule P.
4. Physicians & Surgeons Exposures. Provide direct earned exposures for each year and for each ISO class code. The exposures should be for the coverages described in item (2) and should not be expressed as base class equivalents.
5. Premiums. Provide direct earned premiums for each year. For physicians & surgeons, provide the premium for each ISO class code for the coverages described in item (2).
6. Valuation Date. Report claim counts, losses and defense & cost containment expenses as of 12/31/2003. For physicians & surgeons, provide the experience as of each year-end 12/31/1994 to 12/31/2003.

7. Losses. Provide Missouri losses direct as to reinsurance. For physicians & surgeons, report total losses for the coverages described in item (2) as well as losses limited to \$200,000 per defendant.
8. Defense & Cost Containment Expense (ALAE). Provide unlimited direct Defense & Cost Containment expenses.
9. Claim counts.
 - Counts should be the number of defendants. For example, an incident may result in allegations against two insured doctors (defendants). In this example provide the number of defendants (2) and not the number of incidents (1). Do not count both the doctor claim and the corporation claim under any circumstances.
 - Exclude claims closed without indemnity payment.
 - Exclude “notices” or incidents for which no claim has been made.
10. Alternate Loss Reporting Format – Individual Claims Listing. Companies can report loss data under the alternate format in lieu of providing loss development triangles. Under this option provide report Alt1 in lieu of reports OC2 to OC9 and CM2 to CM9.
11. Data Reconciliation. Certain data elements should reasonably reconcile to the Annual Statement Schedule T(A) for Missouri Physicians and Surgeons. Reports RC1 to RC3 provide this reconciliation. Please provide a brief note explaining dollar difference over \$1,000,000 or percentage differences over 5%.
12. Data Formats. Please provide both a written response and an electronic file. The preferable electronic format is Excel, Access or Lotus.
13. Narrative. Please provide written comments on the following items. Provide an explanation of the issues, indicate the magnitude of the problem and estimate the resulting impact on the usefulness of the data for loss development, rate making, trending or other actuarial uses. Provide supplemental supporting data if possible.
 - Instances in which the instructions were not followed or estimates were made.
 - Describe the way corporate exposures, premiums, claim counts, losses and expenses are handled.
 - Describe the way tail and DDR premiums, claim counts, losses and expenses are handled.
 - Possible data quality issues.
 - Claims involving Fen-Phen, breast implants or other multiple tort events.
 - Changes in reserving practices, legal defense of claims, or other aspects of claims administration that impact loss development.
 - Changes in coverage or changes in legal or judicial standards that impact loss development or trends.
 - Other significant issues or problems with the experience provided.

Special Instructions for Reporting Corporate Coverage

Some insurers include corporate coverage as an integral part of the physician and surgeon coverage. Claims against both the doctor and the corporation are often adjusted in concert and settlements, ALAE and reserves cannot be separated with a reasonable degree of accuracy. In such cases use the following special reporting instructions:

1. Do not include the corporation as an exposure.
2. Include corporate premiums (or endorsement premiums), losses, and ALAE.
3. Do not count both the doctor claim and the corporation claim.
4. Explain the circumstances, methods and assumptions used in compiling the data in the “Narrative” section of your report.

Missouri Physicians & Surgeons Medical Malpractice Insurance

Cox Class Factors

Class Code	Factor
80100	3.17
80101	1.89
80102	2.40
80104	1.70
80106	2.18
80114	1.26
80115	2.37
80116	0.40
80117	2.80
80129	0.25
80131	1.00
80132	1.78
80136	1.60
80141	4.83
80143	3.56
80144	4.65
80144 / 80141 / 80146	3.45
80145	1.98
80146	4.28
80150	4.49
80151	1.40
80152	7.10
80153	5.86
80154	4.77
80155	2.82
80156	3.76
80157	2.87
80158	2.86
80159	2.51
80162	1.14
80165	1.60
80166	5.00
80167	2.83
80168	4.70
80169	2.99
80170	2.90
80171	5.56
80172	3.04
80173	3.00
80176	3.04
80177	1.00

Class Code	Factor
80178	0.53
80179	1.00
80182	1.40
80211	-
80230	0.75
80231	1.00
80233	0.78
80235	0.84
80236	0.71
80237	0.75
80238	0.74
80240	0.75
80241	1.29
80241 / 80274	1.30
80243	0.77
80244	0.92
80245	1.14
80245 / 80278	0.86
80246	1.18
80248	0.85
80249	0.74
80250	0.11
80252	0.89
80253	1.02
80254	0.57
80255	0.93
80255 / 80281	0.86
80256	0.56
80257	1.00
80257 / 80284	1.00
80259	1.11
80260	0.91
80260 / 80287	0.86
80261	1.30
80262	0.78
80263	0.70
80265	0.96
80266	0.93
80266 / 80292	0.93
80267	1.03
80267 / 80293	1.00

Class Code	Factor
80268	0.88
80269	1.28
80272	1.36
80273	1.70
80274	1.41
80277	1.38
80278	1.58
80279	1.60
80280	1.42
80281	1.72
80282	1.33
80283	1.61
80284	1.51
80285	1.21
80286	1.34
80287	1.52
80288	1.50
80289	1.00
80291	1.36
80292	1.20
80293	1.47
80294	1.27
80321	0.72
80322	1.78
80325	2.52
80411	-
80412	-
80420	1.00
80421	1.74
80422	1.51
80423	2.93
80424	1.00
80425	1.50
80431	1.00
80437	1.40
80443	1.47
80449	1.45
80472	1.35
80473	1.00
80475	4.21
80476	6.00

Claims Made Year	Factor
1	0.35
2	0.60
3	0.88
4	0.93
5	1.00